



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

AN EXELON COMPANY

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**VIA E-FILE ONLY**

May 29, 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 March 31, 2026 for Electric Operations, Docket No. M-2026-3059582

Dear Secretary Homsher:

This letter transmits for filing with the Commission PECO's Financial Report for the twelve months ended March 31, 2026, 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 \$103.0M in adjusted income for common equity or 1.57% 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 March 31, 2026**

Company Name: 110550-PECO-Electric Regulated Operations  
 Financial Report for Twelve Months Ending: 3/31/2026

SCHEDULE A1  
 (in thousands)

	Actual per Books	Intrastate %	Intrastate Per Books	Adjustments (a)	Adjusted Results
Original Cost					
Plant in Service	12,562,537	1.00000	12,562,537	2,746,464	15,309,001
Depreciation Reserve	2,490,420	1.00000	2,490,420	780,641	3,271,061
Net Plant	10,072,117	1.00000	10,072,117	1,965,823	12,037,940
ADDITIONS:					
Ld./Plt. Future Use	-	1.00000	-	-	-
Materials & Suppl.	49,971	1.00000	49,971	-	49,971
CWC (b)	267,916	1.00000	267,916	-	267,916
Unamortized AMR Recovery	0	1.00000	-	-	-
Pension Assets/(Liabilities)	-	1.00000	-	-	-
DEDUCTIONS:					
Acc. Def. Income Taxes	-	1.00000	-	-	-
Liberalized Depr.	1,039,827	1.00000	1,039,827	(227,728)	812,099
I. T. C.	-	1.00000	-	-	-
Other	-	1.00000	-	-	-
Customer Deposits	68,822	1.00000	68,822	-	68,822
Customer Advances	11,438	1.00000	11,438	-	11,438
Cont. Aid of Constr.	(24,005)	1.00000	(24,005)	(30,594)	(54,599)
Other	-	1.00000	-	-	-
 RATE BASE	 9,293,922		 11,518,068	 2,224,145	 11,518,067
Operating Revenues	3,684,232	1.00000	3,684,232	(29,532)	3,654,700
Operating Revenue Deductions:					
O & M Expense	2,408,257	1.00000	2,408,257	19,733	2,427,990
Annual Depreciation	317,926	1.00000	317,926	78,568	396,494
Taxes-					
-Other Than Income	235,148	1.00000	235,148	485	235,633
-State Income-Curr.	-	1.00000	-	(9,618)	(9,618)
-Fed. Income-Curr.	36,165 *	1.00000	36,165	(25,303)	10,862
-Deferred Inc. Txs.	-	1.00000	-	-	-
-I.T.C. (net)	-	1.00000	-	-	-
Total Oper. Rev. Ded.	2,997,496		2,997,496	63,865	3,061,361
Inc. Avail. For Ret.	686,736		686,736	(93,397)	593,339
 RATE OF RETURN - Overall	 7.39%		 7.39%		 5.15%

\*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	\$2,746,464					
(2) Adjustment for Additional Accumulated Reserve	\$780,641					
(3) Adjustment for Additional Accumulated Deferred Income Taxes	\$ (258,323)					
<b>Total</b>	\$2,224,146					

<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*		\$ 2,382		\$ 141	\$ 168	\$ 442
(2) Wage Change, Pension and FAS 106 Adjustment*			\$ 4,619		\$ (346)	\$ (911)
(3) Book Depreciation on Year End Asset Basis*			\$ 78,568		\$ (5,885)	\$ (15,496)
(4) Interest on Customer Deposits*			\$ 3,361		\$ (252)	\$ (663)
(5) CAP Revenue Credit Annualization*		\$ (2,742)		\$ (162)	\$ (193)	\$ (509)
(6) Weather Normalization of Distribution Revenues*		\$ (29,041)		\$ (1,713)	\$ (2,047)	\$ (5,390)
(7) Adjustment to Normalize Storm Expenses*			\$ 49,506		\$ (3,708)	\$ (9,764)
(8) Normalization of Uncollectible Accounts Expense*			\$ (37,753)	\$ 2,227	\$ 2,661	\$ 7,007
(9) Leap Year Revenue Normalization		\$ 1,225		\$ 72	\$ 86	\$ 228
(10) Regulatory Initiative Recovery						
(11) Eliminate DSIC Revenue		\$ (1,357)		\$ (80)	\$ (102)	\$ (247)
<b>Total</b>		\$ (29,532)	\$ 98,301	\$ 485	\$ (9,618)	\$ (25,303)

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: 3/31/2026

(In Thousands)

	Capital Ratios	Rate Base	Totals	Weighted Cst. Rates	Total Rate Base Cst./Debt/Pref.
	-----	-----	-----	-----	-----
1. Debt	0.4310	9,293,922	4,005,680	0.0451	180,656
2. Preferred	0.0000		0	0.0000	0
3. Common Equity	0.5690		5,288,242		
	-----		-----		-----
4. TOTAL	1.0000		9,293,922		180,656
					=====
					Intrastate per Book
					-----
5. Income Available for Return					686,736
6. Less: Total Rate Base Related Cost of Debt & Preferred					180,656
					-----
7. Income Available for Common Equity (Line 5 - Line 6)					506,080
8. Debt Cost					180,656
9. Less: Interest Expense used to compute State & Fed. Income Tax					172,902
					-----
10. Difference (Line 8 less Line 9)					7,754
11. Times: Effective State and Federal Income Tax Rate					0.2721335
					-----
12. Net Addition of (Deduction) (Line 10 x Line 11)					2,110
13. Income Available for Common Equity, Including Income Tax Effect of Using Debt Cost (Line 7 Plus Line 12)					508,190
14. Return on Common Equity (Line 7/ Line 3, Col. 3)					0.09570
15. Return on Common Equity Including Tax Effect of Using Debt Cost (Line 13/Line 3, col. 3)					0.09610

Company Name: 110550-PECO-Electric Regulated Operations

INTRASTATE ADJUSTED

SCHEDULE D-2

Calc. Of Return on Common Equity for the period: 3/31/2026

(In Thousands)

	Capital Ratios	Rate Base	Totals	Weighted Cst. Rates	Total Rate Base Cst./Debt/Pref.
	-----	-----	-----	-----	-----
1. Debt	0.4310	11,518,068	4,964,287	0.0451	223,889
2. Preferred	0.0000		0	0.0000	0
3. Common Equity	0.5690		6,553,781		
	-----		-----		-----
4. TOTAL	1.0000		11,518,068		223,889
=====					
					Intrastate Adjusted
					-----
5. Income Available for Return					593,339
6. Less: Total Rate Base Related Cost of Debt & Preferred					223,889
					-----
7. Income Available for Common Equity (Line 5 - Line 6)					369,450
8. Debt Cost					223,889
9. Less: Interest Expense used to compute State & Fed. Income Tax					172,902
					-----
10. Difference (Line 8 less Line 9)					50,987
11. Times: Effective State and Federal Income Tax Rate					0.2721335
					-----
12. Net Addition of (Deduction) (Line 10 x Line 11)					13,875
13. Income Available for Common Equity, Including Income Tax Effect of Using Debt Cost (Line 7 Plus Line 12)					383,325
14. Return on Common Equity (Line 7/ Line 3, Col. 3)					0.05637
15. Return on Common Equity Including Tax Effect of Using Debt Cost (Line 13/Line 3, col. 3)					0.05849

Company: 110550-PECO-Electric Regulated Operations  
 Calculation of Capital Structure and Related Ratios  
 for the period: 3/31/2026  
 (in thousands)

SCHEDULE E

	Total Company Actual Amount Outstanding	Ratios
Total Debt	6,658,915	0.4310
Total Preferred	0	0.0000
Common Equity:		
Common Stock	1,423,004	
Premium on Common Stock	0	
Capital Surplus	4,366,259	
Capital Stock Expense	0	
Retained Earnings	0	
Other	3,001,301	
Total Common Equity	8,790,564	0.5690
Total Capital	15,449,479	1.0000

**PECO - Electric Regulated Operation  
Cost of Debt as Ratemaking Adjusted  
for the Twelve Months Ended March 31, 2026  
( \$ 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>(504)</u>				
26	Net Long-Term Debt	<u>\$ 6,658,915</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 March 31, 2026  
 (in Thousands)

	<u>Plant</u>	<u>Depreciation Reserve</u>	<u>Net</u>
Electric Regulated Plant in Service incl. Applic. Reg. Asset	\$ 11,318,227	\$ 2,031,731	\$ 9,286,497
Stranded Cost	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Adjusted Plant and Stranded Cost Asset and Reserve	\$ 11,318,227	\$ 2,031,731	\$ 9,286,497
Allocated Common	<u>\$ 1,244,310</u>	<u>\$ 458,689</u>	<u>\$ 528,904</u>
<b>Total Electric Regulated Plant and Allocated Common</b>	\$ 12,562,537	\$ 2,490,420	\$ 9,815,401

PECO-Electric Regulated Operations  
 Plant in Service at March 31, 2026  
 (in Thousands)

**Common Plant**

	<u>Plant</u>	Depreciation <u>Reserve</u>	<u>Net</u>
Depreciable Common Plant	\$ 1,236,863	\$ 458,689	\$ 778,174
 <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>	 \$ 1,244,310	 \$ 458,689	 \$ 785,620
 <u>Total Common Plant Allocated</u>			
PECO Electric	\$ 957,870	\$ 353,099	\$ 604,771
Electric Distribution	\$ 837,708	\$ 308,804	\$ 528,904
Gas	\$ 286,440	\$ 105,590	\$ 180,850

PECO-Electric Regulated Operations  
AVERAGE ELECTRIC MATERIALS AND SUPPLIES  
Thirteen Months Ended March 31, 2026  
(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
Jan-26	\$49,768	\$129
Feb-26	\$48,069	(\$271)
Mar-26	\$49,017	(\$331)
Mar-25	\$51,040	(\$560)
13 month Total	\$661,130	(\$17,097)
13 month Average	\$50,856	(\$1,315)
Allocated to Electric Regulated		(\$885)
<b>Total</b>	<b><u>\$49,971</u></b>	

PECO-Electric Regulated Operations  
 CUSTOMER DEPOSITS AND ADVANCES  
 Thirteen Months Ended March 31, 2026  
 (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
Jan-26	\$ 72,887	\$ 13,333
Feb-26	\$ 73,991	\$ 13,496
Mar-26	\$ 75,634	\$ 13,242
Mar-25	\$ 60,652	\$ 7,609
	<hr/>	<hr/>
Total	\$ 894,689	\$ 148,688
13 month Avg	\$ 68,822	\$ 11,438

**SCHEDULE B  
SUPPORTING DATA**

PECO-ELECTRIC REGULATED OPERATIONS  
REVENUE ANNUALIZATION  
Twelve Months Ending March 31, 2026  
(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)	\$	2,382
Less: Gross Receipts Tax	\$	<u>141</u>
Net of Gross Receipts Tax	\$	2,241
Increase in Income Taxes @ 27.21%	\$	610
Increase in Income for Return	\$	1,631

PECO-ELECTRIC REGULATED OPERATIONS  
REVENUE ANNUALIZATION  
Twelve Months Ending March 31, 2026  
(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	\$ 1,082,939	\$ 218,840	\$ 377,048	\$ 261,635	\$ 9,542	\$ 24,160	\$ 1,974,164
Distribution Weather Adjustment	\$ (18,531)	\$ (4,014)	\$ (4,160)	\$ (2,336)	\$ -	\$ -	\$ (29,041)
Margin-Revenue	\$ 1,064,408	\$ 214,826	\$ 372,889	\$ 259,299	\$ 9,542	\$ 24,160	\$ 1,945,123
Avg Monthly Customers	\$ 1,336,121	\$ 204,226	\$ 157,023	\$ 3,155	\$ 5	\$ 10,296	1,710,826
Avg Margin Per Customer	Thousand\$ 0.797	\$ 1.052	\$ 2.375	\$ 82.184	\$ 1,908.461	\$ 2.347	
Number of Customers End of March 2026	1,339,451	205,430	156,777	3,149	5	10,103	1,714,915
Increase in Number of Customers During the Year	3,330	1,204	(246)	(6)	-	(193)	4,089
Annualization of Revenue	\$ 2,653	\$ 1,266	\$ (584)	\$ (500)	\$ -	\$ (453)	\$ 2,382

Revenue figures reflect billed revenues

PECO-Electric Regulated Operations  
 ANNUALIZATION OF WAGES, PENSIONS AND FAS 106 ADJUSTMENT  
 Twelve Months Ending March 31, 2026  
 (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	\$	2,948
Plus: Overtime @ 34.48	\$	1,016
Change in Applicable Payroll Expense	\$	3,964
Adjustment to Pension and Net FAS 106 Costs (a)	\$	655
Net Expense Change	\$	4,619
Decrease in Income Tax at 27.21%	\$	(1,257)
Decrease in Income for Return	\$	(3,362)
<hr/>		
(a) Proforma		\$4,241
Actual		<u>\$3,585</u>
Decrease		\$655

PECO-Electric Regulated Operations  
ADJUST BOOK DEPRECIATION TO REFLECT YEAR END ASSET  
BASIS AS OF March 31, 2026  
(in Thousands)

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

Annualized Depreciation	445,002
Book Depreciation	<u>366,434</u>
Increase in Depreciation	78,568
Decrease in Income Taxes at 26.92%	(\$21,148)
Decrease in Income for Return	(\$57,420)

PECO-Electric Regulated Operations  
INTEREST ON COMPANY DEPOSITS  
Twelve Months Ending March 31, 2026  
(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	\$3,361
Decrease in Income Taxes @ 27.21%	(\$915)
Decrease in Income for Return	(\$2,446)

PECO-Electric Regulated Operations  
CAP Revenue Credits and Adjustments  
Twelve Months Ending March 31, 2026  
(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 March 2026

CAP Discount Annualization	\$	3,756
Net of Impact of Write Off and Working Capital	\$	2,742
Gross Receipts Tax	\$	<u>162</u>
Revenue Net of Gross Receipts Tax	\$	2,580
Increase in Income Taxes @ 27.21%	\$	702
Increase in Income for Return	\$	1,878

PECO-Electric Regulated Operations  
ADJUSTMENT TO DISTRIBUTION REVENUES AND EXPENSES  
TO REFLECT WEATHER NORMALIZED SALES  
Twelve Months Ending March 31, 2026  
(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	\$ (29,041)
Decrease in Gross Receipts Tax	<u>\$ (1,713)</u>
Decrease in Revenue Net of Gross Receipts Tax	\$ (27,328)
Decrease in Income Taxes at 27.21%	\$ (7,437)
Decrease in Income for Return	\$ (19,891)

PECO-Electric Regulated Operations  
NORMALIZATION OF STORM EXPENSES  
Twelve Months Ending March 31, 2026  
(in Thousands)

B-7

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

Normalized Incremental Storm Expenses	\$66,617
Actual Incremental Storm Expenses in the Twelve Month Period	<u>\$17,111</u>
Increase in Storm Expenses	\$49,506
Decrease in Income Taxes @ 27.21%	(\$13,472)
Decrease in Income for Return	(\$36,034)

PECO-Electric Regulated Operations  
NORMALIZATION OF UNCOLLECTIBLE ACCOUNTS EXPENSE  
Twelve Months Ending March 31, 2026  
(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	\$53,495
Amount in Actual Expense	<u>\$91,248</u>
Increase in Cost	(\$37,753)
Decrease in GRT	\$2,227
Decrease in Income Taxes @ 27.21%	\$9,668
Decrease in Income for Return	\$25,857

PECO-Electric Regulated Operations  
Leap Year Revenue Normalization  
Twelve Months Ending March 31, 2026  
(in Thousands)

B-9

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

Total Revenue Increase	\$1,225
Less: Gross Receipt Tax	<u>\$72</u>
Net of Gross Receipt Tax	\$1,153
Increase in Income Taxes @ 27.21%	\$314
Increase in Income for Return	\$839