

## **Price to Compare (PTC) Sample Calculation DISCLAIMER**

### **Disclaimer**

This document does not include factors/adders such as surcharges and sales taxes applicable to PECO distribution service. The PTC contained herein contains best-known values and will be updated as needed in accordance with PECO's Default Service Program ("DSP V") Order at Docket No. P-2020-3019290.

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## **PECO Energy Company Price to Compare (PTC) Sample Calculation Methodology**

The purpose of this document is to explain the methodology used to estimate the costs that are components of the sample PTC calculation model (see Appendix I – PTC Sample Calculations – Small Commercial and Industrial) –

Line 1 – Generation Charge consists of C Factor, E Factor, Administrative Cost Factor, Working Capital Factor and AEPS factor (additional AEPS cost not included in C Factor costs).

Line 2 – Default Supplier Full Requirement Costs are the costs related to all necessary energy, capacity, transmission service other than network integration transmission service, ancillary services, AECs for compliance with the AEPS Act, transmission and distribution losses, congestion management costs, and such other services or products that are required to supply the specified percentage of a procurement class's load except for distribution service.

Line 3 – This line consists of Miscellaneous Costs, which include the allocations of Net Metering.

Line 4 – The sum of Default Supplier Full Requirement Costs and Miscellaneous Costs equals the C factor costs prior to the applications of the Overall Line Loss factor ratio and Gross Receipts Tax (GRT).

Line 5 – Overall Line Loss Factor Ratio =  $(1-ALL)/(1-LL)$ ; ALL refers to the average line loss factor for the procurement class, LL refers to the line loss factor for each specific rate class in the procurement class.

Line 6 – The C Factor is adjusted by the Overall Line Loss factor ratio. Line losses for the specific rate class can be obtained from PECO Energy Company's Electric Generation Supplier Coordination Tariff.

Line 7 – The C Factor is further adjusted by GRT. Based on the Notice from Pennsylvania Bulletin Doc. No. 19-1397, GRT is 5.90% for the Tax Year Beginning January 1, 2021. The GRT adjusted factor is  $1/(1-5.90\%) = 1.0627$ .

Line 8 – Final C Factor

Line 9 – The E factor is the experienced over or under collection calculated under the reconciliation provision of the Generation Supply Adjustment (GSA).

Line 10 – Administrative Cost Factor includes the costs of the auction or Request for Proposal (RFP) monitor, consultants providing guidance on the development of the procurement plan, legal fees incurred gaining approval the plan, and any other costs associated with designing and implementing a procurement plan.

Line 11 – Working Capital Factor is the charge to compensate PECO for costs incurred by the utility during the period between when service to its default service customers was rendered and payment is received.

Line 12 – AEPS Factor is the energy charge for electric service for all rate schedules to recover the costs associated with compliance with the AEPS Act.

Line 13 – Generation Charge is the sum of the C Factor, E Factor, Administrative Cost Factor, Working Capital Factor and AEPS Factor.

Line 14 – The PTC consists of the Generation Charge and Transmission Charge.

Line 15 – The Generation Charge is from the Line 13.

Line 16 – Transmission Charge provides for full and current cost recovery of all transmission service related costs incurred under the PJM open access transmission tariff on behalf of PECO's default service load. The cost is allocated to all default service customers in each rate class based upon the coincident peak used by PJM to establish the network service obligation.

Line 17 – PTC: The sum of the Generation Charge and Transmission Charge.

**Appendix I – PTC Sample Calculations – Small Commercial and Industrial**

**PECO Energy Company  
Price to Compare ("PTC") Sample Calculation  
For Illustrative Purposes Only  
Small Commercial & Industrial Class (Up to 100KW) - Rate GS**

<u>Line No.</u>	<u>September 1, 2021 - November 30, 2021</u>		
1	<b>Generation Charge = C Factor + E Factor + Administrative Cost Factor + Working Capital Factor + AEPS Factor</b>		
2	Default Supplier Full Requirements Costs	5.179	cents/kWh
3	Misc Costs	0.000	cents/kWh
4	Subtotal, <i>Line 4 = Line 2 + Line 3</i>	5.179	cents/kWh
5	Multiplied by Overall Line Loss Factor Ratio (See Note A)	1.0008	
6	Subtotal, <i>Line 6 = Line 4 X Line 5</i>	5.183	cents/kWh
7	Multiplied by Adjustment Factor for Gross Receipts Tax, 1/(1-T), T = 5.90%	1.0627	
8	C Factor, <i>Line 8 = Line 6 X Line 7, (See Note B)</i>	<b>5.508</b>	cents/kWh
9	E Factor - Reconciliation (See Note C)	<b>-0.238</b>	cents/kWh
10	Administrative Cost Factor (See Note C)	<b>0.017</b>	cents/kWh
11	Working Capital Factor (See Note C)	<b>0.019</b>	cents/kWh
12	AEPS Factor (See Note C)	<b>0.000</b>	cents/kWh
13	Generation Charge, <i>Line 13 = Line 8 + Line 9 + Line 10 + Line 11 + Line 12</i>	<b>5.306</b>	
14	<b>PTC = Generation Charge + Transmission Charge</b>		
15	Generation Charge, <i>from Line 13</i>	<b>5.306</b>	cents/kWh
16	Transmission Charge (See Note D)	<b>0.449</b>	cents/kWh
17	<b>Small Commercial &amp; Industrial Class (Rate GS) PTC, <i>Line 17 = Line 15 + Line 16</i></b>	<b>5.755</b>	cents/kWh

Notes

- (A) Overall Line Loss Factor Ratio = (1-ALL)/(1-LL); ALL refers to the average line loss factor for the procurement class, LL refers to the line loss factor for the specific rate class. For purpose of forecasting, the transmission and distribution line loss percentages for Rate GS is 9.35%, the average line loss factor for Small Commercial & Industrial class is 9.28%.
- (B) C Factor costs include energy, capacity, ancillary service and other costs. See PECO's Electric Tariff for details.
- (C) E Factor and Administrative Cost Factor include the adjustments of overall line loss factor ratio and Gross Receipts Tax (GRT). Working Capital Factor and AEPS Factor include GRT adjustment.
- (D) Transmission Charge includes GRT adjustment.

**PECO Energy Company  
Hourly Price Adder Sample Calculation  
For Illustrative Purposes Only  
Medium and Large Commercial & Industrial Class (> 100KW) - Rate HT (Hourly Pricing)**

<u>Line No.</u>	<u>September 1, 2021 - November 30, 2021</u>		
1	<b>Generation Hourly Price Adder = AS and AEPS Factor + E Factor + Administrative Cost Factor + Working Capital Factor</b>		
2	AS and AEPS Factor - Default Supplier Ancillary Services Costs, AEPS Compliance and Misc Costs	0.616	cents/kWh
3	Multiplied by Overall Line Loss Factor Ratio (See Note A)	0.9885	
4	Subtotal, <b>Line 4 = Line 2 X Line 3</b>	0.609	cents/kWh
5	Multiplied by Adjustment Factor for Gross Receipts Tax, 1/(1-T), T = 5.90%	1.0627	
6	AS and AEPS Factor, <b>Line 6 = Line 4 X Line 5</b>	<b>0.647</b>	cents/kWh
7	E Factor - Reconciliation (See Note B)	<b>-0.022</b>	cents/kWh
8	Administrative Cost Factor (See Note B)	<b>0.005</b>	cents/kWh
9	Working Capital Factor (See Note B)	<b>0.019</b>	cents/kWh
10	<b>Generation Hourly Price Adder, Line 10 = Line 6 + Line 7 + Line 8 + Line 9</b>	<b>0.649</b>	cents/kWh
11	<b>Hourly Price Adder to determine PTC = Generation Hourly Price Adder + Transmission Charge</b>		
12	Generation Hourly Price Adder, from Line 10	<b>0.649</b>	cents/kWh
13	Transmission Charge (See Note C)	<b>0.295</b>	cents/kWh
14	<b>Medium and Large Commercial &amp; Industrial Class (Rate HT) Hourly Price Adder, Line 14 = Line 12 + Line 13</b>	<b>0.944</b>	cents/kWh

Notes

- (A) Overall Line Loss Factor Ratio = (1-ALL)/(1-LL); ALL refers to the average line loss factor for the procurement class, LL refers to the line loss factor for the specific rate class.  
For purpose of forecasting, the transmission and distribution line loss percentages for Rate HT is 3.82%, the average line loss factor for Medium and Large Commercial & Industrial class (Hourly Pricing) is 4.93%.
- (B) E Factor, Administrative Cost Factor and Working Capital Factor include GRT adjustment.
- (C) Transmission Charge includes GRT adjustment.