

### Illustrative TOU Rate Calculation for Residential Class

The calculations in this exhibit provide an illustration of the Time-Of-Use (“TOU”) Rate for residential default service customers based on PECO’s proposed TOU pricing multipliers for DSP V (reproduced in Table 1) and the Residential Generation Supply Adjustment (“GSA-1”) rate for the Residential Class effective as of March 1, 2020.

Table 1

TOU Pricing Period	Days/Hours Included	TOU Period Allocators PA-GSA(1)	TOU Pricing Multiplier, PM-GSA(1) (Ratio to Super Off-Peak)
Peak (“PP”)	2 p.m. – 6 p.m. Monday through Friday, excluding PJM holidays	12%	6.5-to-1
Super Off-Peak (“SOPP”)	Midnight(12 a.m.) – 6 a.m. Every day	20%	1-to-1
Off-Peak (“OPP”)	All Other Hours	68%	1.5-to-1

There are three steps in developing the TOU Rate for the Residential Class each quarter.

First, PECO will calculate the ratio of the Standard GSA-1 rate to the SOPP price based on the portion of total system kWh usage attributable to each TOU pricing period calculated in PECO Exhibit JAB-3. This factor will remain constant throughout the DSP V term.

Super Off-Peak Price Factor (“SOPP-F”)

$$= [\text{TOU SOPP GSA}(1) * 20\%] + [\text{TOU OPP GSA}(1) * 68\%] + [\text{TOU PP GSA}(1) * 12\%]$$

$$= [\text{TOU SOPP GSA}(1) * 0.2] + [(1.5 * \text{TOU SOPP GSA}(1)) * 0.68] + [(6.5 * \text{TOU SOPP GSA}(1)) * 0.12]$$

$$= [0.2 * \text{SOPP TOU GSA}(1)] + [1.02 * \text{TOU SOPP GSA}(1)] + [0.78 * \text{TOU SOPP GSA}(1)]$$

$$= 2.0 * \text{SOPP TOU GSA}(1)$$

Second, PECO will solve the TOU SOPP price for revenue neutrality. The assumed existing rate used in this illustrative revenue neutrality calculation is the quarterly standard GSA-1 rate effective on March 1, 2020 – \$0.05972/kWh. In this example, the revenue neutral TOU SOPP price for the Residential Class effective from March 1, 2020 through May 31, 2020 is as follows:

$$\text{TOU SOPP GSA}(1) = \text{Standard GSA}(1-R) * [ (1 / \text{SOPP-F GSA}(1) ) ]$$

$$\text{TOU SOPP GSA}(1) = \$0.05972 * [ 1 / 2.0 ]$$

$$= \$0.02986$$

Third, PECO will use this TOU SOPP price and the TOU pricing multipliers to create the peak and off-peak prices of the TOU Rate.

TOU Pricing Period	GSA 1 TOU Price, Rate R (Upcoming 2Q 2020)
Peak	\$0.19409/kWh
Super Off-Peak	\$0.02986/kWh
Off-Peak	\$0.04479/kWh