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

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

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”)

\[
\text{SOPP-F} = \left[ \text{TOU SOPP GSA(1)} \times 20\% \right] + \left[ \text{TOU OPP GSA(1)} \times 68\% \right] + \left[ \text{TOU PP GSA(1)} \times 12\% \right]
\]

\[
= \left[ \text{TOU SOPP GSA(1)} \times 0.2 \right] + \left[ (1.5 \times \text{TOU SOPP GSA(1)}) \times 0.68 \right] + \left[ (6.5 \times \text{TOU SOPP GSA(1)}) \times 0.12 \right]
\]

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

\[
= 2.0 \times \text{SOPP TOU GSA(1)}
\]

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:

\[
\text{TOU SOPP GSA(1)} = \text{Standard GSA(1-R)} \times \left\{ \frac{1}{\text{SOPP-F GSA(1)}} \right\}
\]

\[
\text{TOU SOPP GSA(1)} = \$0.05972 \times \left[ \frac{1}{2.0} \right]
\]

\[
= \$0.02986
\]

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.

<table>
<thead>
<tr>
<th>TOU Pricing Period</th>
<th>GSA 1 TOU Price, Rate R (Upcoming 2Q 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak</td>
<td>$0.19409/kWh</td>
</tr>
<tr>
<td>Super Off-Peak</td>
<td>$0.02986/kWh</td>
</tr>
<tr>
<td>Off-Peak</td>
<td>$0.04479/kWh</td>
</tr>
</tbody>
</table>