

**PECO-Gas Operations**  
**Annual Gas Procurement Charge (GPC) Calculation**  
 Effective July 1, 2021  
 (Thousand\$)

<u>LABOR AND BENEFITS</u>	<u>Costs</u>	<u>Source</u>
Gas Supply	\$508	PECO Exhibit RAS-2, Page 2
Financial and Accounting Support	\$21	PECO Exhibit RAS-2, Page 2
Internal Legal Support	\$23	PECO Exhibit RAS-2, Page 2
Regulatory Support	\$50	PECO Exhibit RAS-2, Page 2
Risk Management	\$18	PECO Exhibit RAS-2, Page 2
Management Support	<u>\$85</u>	PECO Exhibit RAS-2, Page 2
<b>Total Labor and Benefits</b>	\$705	PECO Exhibit RAS-2, Page 2
<b>Outside Legal Costs</b>	\$60	PECO Exhibit RAS-2, Page 4
<b>GasStar Related Costs</b>	\$36	PECO Exhibit RAS-2, Page 5
<b>Working Capital</b>	<u>\$269</u>	PECO Exhibit RAS-2, Page 6
<b>TOTAL COSTS</b>	\$1,070	
Distribution Base Rate Case Mcf Sales Volumes	64,815,273 Mcf	Projected Distribution Sales Volume
<b>Distribution Charge Rate Reduction</b>	\$0.0165 \$ per Mcf	
Default Customers' Mcf Supply Sales Service Volumes	46,181,931 Mcf	Projected Sales Service (Default) Volumes
<b>GPC Rate</b>	\$0.0232 \$ per Mcf	

**PECO-Gas Operations**  
**Annual Procurement Labor and Benefits Costs**  
**July 1, 2021 through June 30, 2022**  
**(Thousand\$)**

	<b>Procurement Hours</b>	<b>Rate \$/Hour (a)</b>	<b>Cost</b>
Gas Supply	5,241.6	\$97.00	\$508
Financial and Accounting Support	214.0	\$97.00	\$21
Internal Legal Support	225.0	\$97.00	\$23
Regulatory Support	513.0	\$97.00	\$50
Risk Management	182.0	\$97.00	\$18
Management Support	<u>880.4</u>	\$97.00	<u>\$85</u>
<b>Total Labor and Benefits Costs</b>	7,256.0		\$705

Note (a) Per Exhibit RAS-2, Page 3

**PECO-Gas Operations**  
**Annual Procurement Labor and Benefit Costs**  
**July 1, 2021 through June 30, 2022**

	<b>Costs</b>	
	<b><u>(Thousand\$)</u></b>	<b><u>\$/Hour (a)</u></b>
<b>Total Base Salaries &amp; Wages</b>	\$35,941	\$56.89
<b>Total Other Payroll</b>	<u>\$5,548</u>	<u>\$8.78</u>
<b>Total Base and Other Payroll</b>	\$41,490	\$65.67
<b>Stock/Incentive Compensation</b>	<u>\$5,052</u>	<u>\$8.00</u>
<b><i>Total Base/Other Payroll Incl. Stock/Incentive Comp</i></b>	\$46,542	\$73.67
<b><i>Taxes Other Than Income, Employment Taxes</i></b> <b><i>(FICA, FUTA and SUTA)</i></b>	\$3,711	\$5.87
<b><i>Proforma Salaries and Wage Adjustment</i></b>	\$720	\$1.14
<b><i>Employment Taxes Adjustment</i></b>	<u>\$64</u>	<u>\$0.10</u>
<b>Total Wages and Employment Taxes</b>	\$51,037	\$80.78
<b><i>Employee Pensions and Benefits</i></b>	\$7,826	\$12.39
<b><i>Pension and Benefits Adjustment</i></b>	<u>\$2,421</u>	<u>\$3.83</u>
<b>Total Employee Pensions and Benefits</b>	\$10,247	\$16.22
<b>Total Wages, Employment Taxes and Pensions and Benefits</b>	\$61,285	\$97.00
<b>Hours in a Year</b>	2,088	
<b>Total O&amp;M Full Time Equivalent (FTE)</b>	370.79	Company Records
<b>Paid Time-Off Factor (b)</b>	1.2250	
<b>Adjusted Hours in a Year</b>	1,704	equals 2,088 hours divided by 1.2250

Note (a) Total dollars divided by FTE divided by adjusted hours in a year

Note (b) Reflects adjustment to hours based on factors including vacation, holidays and sick time.

**PECO-Gas Operations**  
**Annual Outside Legal Expenses**  
**July 1, 2021 through June 30, 2022**  
**(Thousand\$)**

	<u>Costs</u>	<u>Source</u>
Outside Legal Expenses	\$60	Company Records

**PECO-Gas Operations**  
**Annual Expenses for GasStar**  
**July 1, 2021 through June 30, 2022**  
**(Thousand\$)**

	<u>Costs</u>	<u>Source</u>
Annual Expenses	\$54	Company Records
Allocated Commodity Portion	66.35%	April 30, 2020 Section 1307(f) Filing Purchased Gas Costs Docket No. R-2020-3019661, Section 7, Page 1, December 2020 through November 2021
<b>Allocated to GPC</b>	<b>\$36</b>	

**PECO-Gas Operations**  
**Annual Cash Working Capital**  
**July 1, 2021 through June 30, 2022**  
(Thousand\$)

PECO Exhibit RAS-2  
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		<u>Source</u>
Revenue Lag	43.17 days	PECO Exhibit MJT-1, Schedule C-4, Page 23
Purchased Gas Costs Lag	<u>36.51</u> days	PECO Exhibit MJT-1, Schedule C-4, Page 23
Net Lag Days	6.66 days	
Commodity and Capacity Fuel Costs	\$200,885	Based on PECO Exhibit MJT-1, Schedule C-4, Page 23
Commodity Portion	72.94%	April 30, 2020 Section 1307(f) Filing Purchased Gas Costs Docket No. R-2020-3019661, Section 7, Page 1, December 2020 through November 2021
Applicable Fuel Costs	\$146,526	
<b>Average Cost per Day</b>	<b>\$401</b>	
Net Lag Days	6.66 days	
Commodity and GCA Related Cash Working Capital Requirement	\$2,671	
<b>Cash Working Capital Requirement</b>	<b>\$2,671</b>	
Pre-Tax Weighted Overall Rate of Return	10.08% (a)	PECO Exhibit MJT-1, Schedule B-7, Page 13 and PECO Exhibit PRM-1, Schedule 1, Page 1
<b>Cash Working Capital Revenue Requirement</b>	<b>\$269</b>	

Note (a)

	<u>Capital Structure</u>	<u>Return</u>	<u>Weighted Return</u>	<u>After-Tax Return</u>
Debt	46.62%	3.97%	1.85%	1.32%
Common	<u>53.38%</u>	10.95%	<u>5.85%</u>	<u>5.85%</u>
	100.00%		7.70%	7.17%
Composite Federal and State Income Tax Rate	28.892%			
Gross Revenue Conversion Factor	1.40631			
Pre-Tax Weighted Overall Rate of Return				10.08%

**PECO-Gas Operations**  
**Annual Distribution Revenue Reduction from the GPC**  
**July 1, 2021 through June 30, 2022**  
(Thousand\$)

**PECO Exhibit RAS-2**  
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Rate Schedule	Distribution Mcf Sales	Distribution Charge Rate Reduction \$ per Mcf (a)	Distribution Revenue Reduction
GR Incl CAP	41,968,538	0.0165	\$693
GC	22,401,370	0.0165	\$370
L	16,559	0.0165	\$0
OL	-	0.0165	\$0
MVF	<u>428,806</u>	0.0165	<u>\$7</u>
 Total	 64,815,273		 \$1,070 (b)

Note (a) From PECO Exhibit RAS-2, Page 1

Note (b) From PECO Exhibit RAS-2, Page 1, Revenue Reduction Associated with the GPC