

ELECTRIC RATES TO CHANGE BEGINNING JANUARY 1, 2021

Beginning with service provided January 1, 2021, changes will affect your monthly electric bill. For a residential customer using 700 kilowatt-hours (kWh) per month, the effect of this approved change is a total increase of \$0.55 to the typical monthly bill, from \$100.85 to \$101.40, or 0.55%. The enclosed bill reflects this change. Here are the details:

Universal Service Fund Charge (USFC): This credit recovers the costs associated with PECO's low-income programs. The USFC is a credit of 0.199 cents per kWh effective January 1, 2021. For a typical residential customer using 700 kWh per month, the new rate will result in an increase of \$0.43 per month, which is included in the Distribution Charges.

Federal Tax Adjustment (FTA): This adjustment is associated with reconciling the remaining balance associated with the Tax Cuts and Jobs Act. The FTA will be reset to 0% for all rate classes. This change will result in a decrease of \$0.06 per month for a typical residential customer using 700 kWh per month. This change will result in an increase of \$0.05 per month for a typical small commercial customer and a decrease of \$39.69 per month for a typical large commercial customer.

Tax Accounting Repair Credit (TARC): This credit is associated with a change in accounting for tax purposes for the treatment of equipment repairs. The TARC will be reset to \$0.00 for all rate classes. For a typical residential customer using 700 kWh per month, the new rate will result in an increase of \$0.08 per month, which is included in the Distribution Charges. This change will result in an increase of \$0.80 per month for a typical small commercial customer and an increase of \$4.00 per month for a typical large commercial customer.

Distribution System Improvement Charge (DSIC): The DSIC, which is shown as a separate line item on your bill, allows PECO to accelerate the modernization of the distribution system through the installation, replacement and relocation of electric equipment and facilities. The DSIC will increase from 0.14% to 0.35%. This change will result in an increase of \$0.11 per month for a typical residential customer using 700 kWh per month. This change will result in an increase of \$0.49 per month for small commercial customers and a \$7.15 per month for large commercial customers.

(over)

State Tax Adjustment: The State Tax Adjustment Surcharge (STA) will decrease from a value of 0.00% to a credit value of 0.02%. This change will result in 0.01 cent decrease per month for a typical residential customer using 700 kWh per month.

Rate R – Residential Monthly Billed Charges

| | |
|----------------------|-------------------|
| Customer Charge | \$9.98 |
| Generation Charges | \$0.05920 per kWh |
| Transmission Charges | \$0.00506 per kWh |
| Distribution Charges | \$0.06609 per kWh |

Minimum Charge: The minimum charge per month will be the Customer Charge. State Tax Adjustment applies to this rate.

Bill Calculation for Rate R Residential Service Customer Using 700 kWh per month for January 2021

| | | |
|-------------------------------------|---------------------|------------------------|
| Customer Charge | | \$9.98* |
| Generation Charges | 700 kWh @ \$0.05920 | \$41.44 |
| Transmission Charges | 700 kWh @ \$0.00506 | \$3.54 |
| Distribution Charges | 700 kWh @ \$0.06609 | \$46.26* |
| DSIC (0.35% x (\$9.98 + \$44.35**)) | | \$0.19* |
| FTA (0% x (\$9.98 + \$46.26)) | | <u>\$0.00*</u> |
| Subtotal | | <u>\$101.41</u> |
| STA (-0.02% x \$56.43*) | | <u>(\$0.01)</u> |
| TOTAL | | \$101.40 |

* State Tax Adjustment applies to the Customer Charge, Distribution Charges, DSIC and the Federal Tax Adjustment.

** For calculating the DSIC \$0.00273/kWh is removed from the Distribution Charges.

Customers who purchase the electricity they use from a competitive electric generation supplier would not pay PECO's Generation and Transmission Charges listed above. Instead they would pay the charges of the competitive electric generation supplier they have chosen.

Questions

For more information on any of these changes visit peco.com/rates or call 1-800-494-4000.

Small business customers can call PECO's Business Customer Service Team at 1-800-220-PECO (7326).

Large business customers can contact the account representative listed on their bill.



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