

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission

v.

Docket No. R-2018-3000164

PECO Energy Company

Rebuttal Testimony
of
JEFFRY POLLOCK

On Behalf of

Philadelphia Area Industrial Energy Users Group

July 24, 2018



BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v.

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PECO Energy Company

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GLOSSARY OF ACRONYMS

Term	Definition
C&I	Commercial and Industrial
CCOSS	Class Cost-of-Service Study
EP	Electric Propulsion
FERC	Federal Energy Regulatory Commission
GS	General Service
HT	High Tension
I&E	Bureau of Investigation and Enforcement
OCA	Office of Consumer Advocate
PAIEUG	Philadelphia Area Industrial Energy Users Group
PD	Primary Distribution
PECO	PECO Energy Company
R	Residential
RH	Residential Heating

REBUTTAL TESTIMONY OF JEFFRY POLLOCK

1 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A My name is Jeffry Pollock. My business address is 12647 Olive Blvd., Suite 585, St.
3 Louis, Missouri 63141.

4 **Q ARE YOU THE SAME JEFFRY POLLOCK WHO PREVIOUSLY SUBMITTED**
5 **DIRECT TESTIMONY IN THIS PROCEEDING ON BEHALF OF PHILADELPHIA**
6 **AREA INDUSTRIAL ENERGY USERS GROUP (PAIEUG)?**

7 A Yes.

8 **Q WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

9 A I address the proposed changes to PECO Energy Company's (PECO's) class cost-of-
10 service study (CCOSS) sponsored by Mr. Clarence Johnson on behalf of the Office of
11 Consumer Advocate (OCA) and the proposed scale-back of rates and customer
12 charges recommended by Mr. Joseph Kubas on behalf of the Bureau of Investigation
13 and Enforcement (I&E). In addition, I will present the results of the fully revised
14 CCOSS as discussed in my direct testimony.

15 **OCA Witness Mr. Johnson**

16 **Q WHAT CHANGES IS MR. JOHNSON PROPOSING TO PECO'S CLASS COST-OF-**
17 **SERVICE STUDY?**

18 A Mr. Johnson is proposing four changes:

- 19
- Classify all secondary distribution network costs to demand;
 - Allocate returned check charges and connection charges on a customer basis;
- 20
21

- 1 • Directly assigning the costs of PECO account executives to the large
- 2 Commercial and Industrial (C&I) classes (*i.e.*, GS, PD, HT and EP); and
- 3 • Treat rates R and RH as a single class.

4 **Q DO YOU AGREE WITH MR. JOHNSON'S PROPOSED CHANGES?**

5 A No. I do not support any of the changes proposed by Mr. Johnson to PECO's CCROSS.
6 However, in the interest of brevity, I will address only his proposals to classify all
7 secondary distribution network costs to demand and to allocate the expenses
8 associated with PECO account executives to the large C&I classes.

9 **Q WHAT IS THE DISTRIBUTION NETWORK?**

10 A The distribution network consists of PECO's investment in poles, towers, fixtures,
11 overhead and underground lines and line transformers. These investments are
12 booked to FERC Account Nos. 364, 365, 366, 367 and 368.

13 **Q WHAT FACTORS CAUSE A UTILITY TO INVEST IN A DISTRIBUTION NETWORK?**

14 A The purpose of the distribution network is to deliver power from the transmission grid
15 to the customer, where it is eventually consumed. Thus, the central roles of the
16 distribution network are to:

- 17 • Provide access to a delivery-ready power grid (*i.e.*, a customer-related
- 18 cost); and
- 19 • Meet customers' peak electrical power needs (*i.e.*, a demand-related
- 20 cost).

21 These prerequisites (*i.e.*, a grid connection with facilities sized to provide voltage
22 support) are clearly related to the existence of the customer. This is why classifying a
23 portion of the distribution network as customer-related is consistent with cost
24 causation. In other words, investments that must be made solely to attach a customer
25 to the system are clearly customer-related.

1 **Q DOES MR. JOHNSON'S PROPOSAL APPROPRIATELY RECOGNIZE THE**
2 **CENTRAL ROLES OF A DISTRIBUTION NETWORK?**

3 A No. Mr. Johnson completely ignores the need for a distribution network to provide
4 access to a delivery-ready power grid.

5 **Q WHY WOULD CLASSIFYING ALL DISTRIBUTION NETWORK COSTS TO**
6 **DEMAND NOT BE CONSISTENT WITH COST CAUSATION?**

7 A Although the distribution network is sized to meet expected peak demand, it must also
8 provide the necessary voltage support to allow power to flow to the customer. Absent
9 a distribution network and the voltage support it provides, electricity cannot flow to
10 customers. Thus, this investment is essential and unrelated to the amount of power
11 and energy consumed by customers, which is why classifying these costs entirely to
12 demand is not consistent with cost causation.

13 If PECO were to provide only a minimum amount of electric power to each
14 customer, it would still have to construct nearly the same miles of line because they
15 are required to serve every customer. The poles, conductors and transformers would
16 not need to be as large as they are now if every customer were supplied only a
17 minimum level of service, but there is a definite limit to the size to which they could be
18 reduced.

19 **Q WHAT PORTION OF PECO'S DISTRIBUTION NETWORK COSTS DOES IT**
20 **PROPOSE TO CLASSIFY AS CUSTOMER-RELATED?**

21 A PECO proposes classifying 100% of its secondary distribution network as customer-
22 related, but 100% of the Primary and Primary HT distribution network as demand-
23 related. This results in a cost classification of 78% to demand and 22% to customer.

1 Q IS IT A RECOGNIZED PRACTICE TO CLASSIFY A PORTION OF THE
2 DISTRIBUTION NETWORK AS CUSTOMER-RELATED?

3 A Yes. For example, the National Association of Regulatory Utility Commissioners
4 (NARUC) Electric Utility Cost Allocation Manual states that:

5 Distribution plant Accounts 364 through 370 involve demand and
6 customer costs. The customer component of distribution facilities is
7 that portion of costs which varies with the number of customers. Thus,
8 the number of poles, conductors, transformers, services, and meters
9 are directly related to the number of customers on the utility's system.¹

10 Q DO ANY UTILITIES ALSO CLASSIFY A PORTION OF THEIR DISTRIBUTION
11 NETWORK AS CUSTOMER-RELATED?

12 A Yes. Exhibit ___ (JP-1R) is a survey of utilities that classify a portion of their
13 distribution network as a customer-related cost. This practice is followed by most of
14 the electric distribution utilities in Pennsylvania, including PECO. As can be seen, the
15 portion of customer-related distribution network costs ranges from 18% (line 21) to
16 76% (line 16). Thus, PECO's proposed distribution cost classification, which classifies
17 only 22% of distribution network costs as customer-related, is among the lowest of the
18 utilities that have employed this practice.

19 Q WHAT DO YOU RECOMMEND?

20 A The Commission should reject Mr. Johnson's proposal to classify all secondary
21 distribution network costs to demand.

¹ National Association of Regulatory Utility Commissioners, *Electric Utility Cost Allocation Manual*, at 90 (Jan. 1992).

1 Q HOW IS MR. JOHNSON PROPOSING TO REALLOCATE THE COSTS
2 ASSOCIATED WITH PECO ACCOUNT EXECUTIVES?

3 A Mr. Johnson recommends that the Commission reallocate the costs of PECO account
4 executives that are charged to FERC Account No. 903 exclusively to the large C&I
5 customer classes (*i.e.*, GS, PD, HT and EP).

6 Q DO YOU AGREE WITH THIS RECOMMENDATION?

7 A No. Mr. Johnson only addresses the portion of FERC Account No. 903 associated
8 with PECO account executives. He has made no analysis to determine the
9 reasonableness of the allocation of the remaining costs in FERC Account No. 903 or
10 any other customer-related costs. For example, he did not propose changing how
11 customer call center costs are allocated between customer classes. Thus, Mr.
12 Johnson's proposed reallocation of the cost of major account executives is nothing
13 more than an inappropriate "piecemeal" change.

14 Q DO THE LARGE COMMERCIAL AND INDUSTRIAL CUSTOMERS USE PECO'S
15 CALL CENTERS?

16 A No. Exhibit ___ (JP-2R) is a copy of PECO's Response to PAIEUG I-3. It states that
17 the large C&I customers do not use PECO's call centers.

18 Q SHOULD ANY CALL CENTER COSTS BE ALLOCATED TO LARGE
19 COMMERCIAL AND INDUSTRIAL CUSTOMERS?

20 A No.

1 Q HAVE YOU DEVELOPED A REVISED ALLOCATION OF CALL CENTER COSTS
2 TO EXCLUDE THE LARGE COMMERCIAL AND INDUSTRIAL CUSTOMER
3 CLASSES?

4 A Yes. PECO books its call center costs to FERC Account Nos. 903 and 926. Although
5 PECO does not budget call center costs separately, using historical averages, the test
6 year call center costs would be approximately \$20.8 million and \$3.6 million,
7 respectively in FERC Account Nos. 903 and 926. None of these costs should be
8 allocated to the large C&I classes.

9 Exhibit ____ (JP-3R) shows the derivation of the revised allocations of FERC
10 Account Nos. 903 and 926 showing the removal of the large C&I customer classes
11 from the allocation of call center costs (lines 5 and 10, respectively). I have also
12 included OCA's proposed reallocation of PECO account executives (line 4).

13 As can be seen, there are only slight differences in the allocations of FERC
14 Account Nos. 903 and 926 between PECO's proposal (line 12) and the combined
15 impact of OCA's revised allocation of PECO account executives and my revised
16 allocation of customer call center costs (line 13).

17 Q WHAT DO YOU RECOMMEND?

18 A The Commission should reject Mr. Johnson's recommendation to reallocate the costs
19 of PECO account executives to the large C&I classes unless it also reallocates the
20 costs of the customer call center away from the large C&I classes as described above.

1 **I&E Witness Mr. Kubas**

2 **Q HOW IS MR. KUBAS PROPOSING TO SCALE-BACK PECO'S PROPOSED**
3 **INCREASE TO THE VARIOUS CUSTOMER CLASSES?**

4 **A Exhibit ___ (JP-4R)** provides an illustration of Mr. Kubas's scale-back proposal.
5 Instead of scaling back the proposed increases uniformly relative to PECO's proposed
6 increases, he is proposing a more targeted scale-back. To provide a perspective, I
7 have shown the interclass subsidies at proposed rates under both PECO's proposed
8 (line 1) and PAIEUG's updated revised (line 2) CCOSs. PECO's proposed increase
9 is shown on line 3.

10 For example, in Step 1 Mr. Kubas assumes that PECO's proposed increase is
11 scaled back by \$10 million or 7% (lines 4 and 5). The \$10 million would be used to
12 eliminate the proposed increase for Rate PD and 40% of the proposed increase to
13 Rate GS. Both Rates GS and PD are currently providing returns above the system
14 average. That is, they are above cost. However, although Rate HT is also above cost,
15 Mr. Kubas is not proposing any scale-back for Rate HT in Step 1.

16 In Step 2 Mr. Kubas would incrementally scale-back the increases for all
17 customer classes except Rate EP (line 6). However, the proportion of the scale-back,
18 (line 7) would vary between classes. For example, the proposed increase for Rate RH
19 would be scaled back by 10%, while the Rate HT increase would be scaled back by
20 16%. Rate RH is currently below cost, while Rate HT is currently above cost. The
21 other above-cost classes would be scaled back from 33% to 60%. Once again, the
22 Rate HT scale-back would be less than for the other above-cost classes.

23 Similarly, in Step 3 (lines 8 and 9), the Rate HT scale-back would be only 39%,
24 while the other above-cost classes would be scaled back by between 85% and 89%.

1 Ironically, the Rate HT scale-back would be lower than the proposed scale-back for
2 Rate R, which is essentially at cost under PECO's CCOSS.

3 Similar comparisons can be made in both Step 4 (lines 10 and 11) and Step 5
4 (lines 12 and 13) of Mr. Kubas's scale-back methodology.

5 **Q WHAT ARE YOUR CONCERNS WITH MR. KUBAS'S SCALE-BACK**
6 **METHODOLOGY?**

7 A First, Rate HT is above cost, but it would receive a much lower scale-back than the
8 other above-cost classes. Second, Rate EP would receive no scale-back; that is, even
9 if PECO's proposed increase is scaled back by \$125 million (or 85%), Rate EP would
10 receive the same increase as PECO is proposing.

11 **Q SHOULD THE COMMISSION ADOPT MR. KUBAS'S PROPOSED SCALE-BACK**
12 **METHODOLOGY?**

13 A No. Mr. Kubas has failed to demonstrate that his proposed scale-back methodology
14 would result in moving all rates closer to cost at successively lower revenue
15 requirements. Further, he fails to treat the above-cost classes equally. Finally, Rate
16 EP would receive no reduction from PECO's proposed increase even if its requested
17 increase is scaled back by up to 85%.

18 **Q WHAT DO YOU RECOMMEND?**

19 A Mr. Kubas's scale-back methodology is arbitrary, and he has failed to demonstrate
20 that it would move all rates closer to cost under any of the illustrative scenarios.
21 Accordingly, the Commission should reject Mr. Kubas's proposed scale-back
22 methodology and instead adopt a proportional scale-back as I recommend in my direct
23 testimony.

1 **Q IF THE COMMISSION DECIDES NOT TO DO A PROPORTIONAL SCALE-BACK,**
2 **WHAT WOULD YOU RECOMMEND?**

3 A My recommendation would be to scale-back the above-cost classes by roughly the
4 same proportions. In other words, the Rate HT scale-back should be comparable to
5 the corresponding scale-backs for Rates GS, PD and Lighting. Further, as discussed
6 below, Rate EP would be much closer to cost under PAIEUG's updated revised
7 CCOSS. Accordingly, Rate EP should receive at least a proportional scale-back.

8 **Q WHAT IS YOUR UNDERSTANDING OF MR. KUBAS'S POSITION ON WHETHER**
9 **THERE SHOULD BE ANY CHANGES IN CUSTOMER CHARGES?**

10 A Mr. Kubas appears to be recommending no change in customer charges in this
11 proceeding. However, most of his discussion pertained to the Rate R and Rate RH
12 Customer charges.² It is unclear whether his recommendation extends to all rates.

13 **Q DO YOU AGREE WITH HIS RECOMMENDATION?**

14 A No. As I stated in my direct testimony, the current Rate HT Customer charge is below
15 the allocated customer-related costs as derived in PECO's CCOSS. Even before any
16 rate increase, PECO's CCOSS indicates that the Rate HT customer-related costs are
17 approximately \$333/month.³ This is \$33 per month higher than the current Rate HT
18 Customer charge. At PECO's claimed rate of return, the Rate HT customer cost would
19 be \$345.⁴ Accordingly, if PECO is authorized to change delivery rates in this case, the
20 Rate HT Customer charge should be increased.

² I&E Statement No. 3, Direct Testimony of Joseph Kubas at 42-46.

³ PECO Energy Company Statement No. 6, Direct Testimony of Jiang Ding, Exhibit JD-4 at 2.

⁴ *Id.*, at 4.

1 **Updated Revised Class Cost-of-Service Study**

2 **Q HAVE YOU UPDATED YOUR PRELIMINARY REVISED CLASS COST-OF-**
3 **SERVICE STUDY?**

4 **A** Yes. As discussed in my direct testimony, the preliminary revised CCOSS was based
5 on the assumption that \$32 million of distribution investment is associated with
6 transmission facilities that failed the Seven Factor Test and were re-functionalized to
7 distribution. Since completing my direct testimony, PECO responded to PAIEUG's
8 Interrogatory Set No. V, which requested a more detailed description of the re-
9 functionalized transmission facilities. A copy of PECO's Response is provided in
10 **Exhibit ___ (JP-5R).**

11 As can be seen, PECO has now identified \$54.2 million (rather than \$32
12 million) of re-functionalized transmission plant. Table 1R summarizes the re-
13 functionalized transmission plant by FERC Account.

Table 1R Re-Functionalized Transmission Investment by FERC Account	
FERC Account No.	Amount
360	\$535,103
361	\$3,539,002
362	\$31,879,011
364	\$5,283,864
365	\$827,085
366	\$1,649,146
367	\$10,473,080
Total	\$54,186,291

Source:
PECO's Response to PAIEUG V-1.

1 As discussed in my direct testimony, the investment shown in Table 1R should be
2 allocated to all customer classes, including the loads of those customers that take
3 service at a transmission voltage. However, these transmission loads should be
4 removed in allocating the remaining Primary HT investment.

5 **Q HAVE YOU UPDATED YOUR REVISED CLASS COST-OF-SERVICE STUDY**
6 **CONSISTENT WITH THE AMOUNT OF RE-FUNCTIONALIZED TRANSMISSION**
7 **FACILITIES AS DESCRIBED ABOVE?**

8 **A** Yes. The updated revised CCOSS is provided in **Exhibit ___ (JP-6R)**. The results
9 are also summarized in Table 2R.

Rate	Rate of Return	Relative Rate of Return	Interclass Subsidy* (\$000)
R	5.51%	0.96	(\$9,805)
RH	4.34%	0.75	(\$12,739)
GS	6.49%	1.13	\$10,471
PD	6.55%	1.14	\$382
HT	6.92%	1.20	\$10,642
EP	4.89%	0.85	(\$471)
Lighting	7.04%	1.22	\$1,520
Total	5.76%	100	(\$0)

* A negative (positive) amount indicates that the class is receiving (providing) a subsidy.

10 **Q DID YOU MAKE ANY OTHER CHANGES IN YOUR UPDATED REVISED CLASS**
11 **COST-OF-SERVICE STUDY?**

12 **A** Yes. As discussed previously, I modified Mr. Johnson's proposed allocations of FERC
13 Account Nos. 903 and 926 by removing the large C&I customer classes from the

1 allocation of call center costs charged to these accounts.

2 **Q WHAT DO THE UPDATED REVISED CLASS-COST-OF-SERVICE STUDY**
3 **RESULTS DEMONSTRATE?**

4 A The updated revised CCOSS results demonstrate that Rates GS, PD, HT, and Lighting
5 are all well above cost. Rate EP is closer to cost than under PECO's CCOSS, and all
6 of the remaining classes are below cost.

7 **Q HAVE YOU UPDATED YOUR RECOMMENDED CLASS REVENUE ALLOCATION**
8 **TO REFLECT THE RESULTS OF THE UPDATED REVISED CLASS COST-OF-**
9 **SERVICE STUDY?**

10 A Yes. My updated class revenue allocation is shown in **Exhibit ___ (JP-7R)**. The
11 resulting movement toward cost under this updated revenue allocation is shown in
12 **Exhibit ___ (8R)**. As with my original recommendation, **Exhibit ___ (JP-8R)**
13 demonstrates that my updated revised class revenue allocation would move all rates
14 approximately 64% closer to cost, with the exception of Rates RH and EP. The
15 exception is due to applying gradualism that would limit the increase to not exceed 1.3
16 times the system average distribution rate increase.

17 **Conclusion**

18 **Q WHAT ADDITIONAL FINDINGS SHOULD THE COMMISSION MAKE BASED ON**
19 **YOUR REBUTTAL TESTIMONY?**

20 A The Commission should make the following additional findings:

- 21
- 22 • Reject Mr. Johnson's four changes to PECO's CCOSS;
 - 23 • If the Commission adopts Mr. Johnson's proposal to allocate PECO
 - 24 account executive expenses to the large C&I classes, it should also
 - 25 remove these classes from the allocation of the customer call center costs;

- 1 • Accept the updated revised CCROSS as presented in **Exhibit ____ (JP-**
2 **6R)** for use in determining class revenue allocation;
- 3 • Reject Mr. Kubas’s proposed scale-back methodology;
- 4 • Scale-back the increases proportionally for all rates, or, in the
5 alternative, scale-back all of the above-cost customer classes
6 uniformly; and
- 7 • Increase the Rate HT Customer charge to reflect the customer-related
8 costs as derived in PECO’s CCROSS at the authorized revenue
9 requirement.

10 **Q DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

11 **A Yes.**

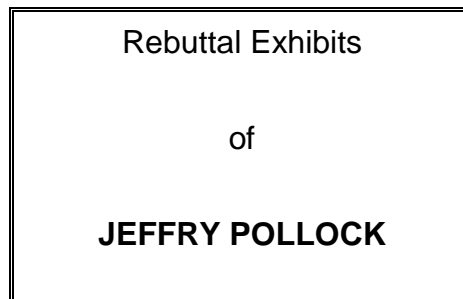
BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission

v.

Docket No. R-2018-3000164

PECO Energy Company



On Behalf of

Philadelphia Area Industrial Energy Users Group

July 24, 2018



Utilities that Classify a Portion of their Distribution Network Investment as Customer-Related

Line	Utility	Docket/Case No.	FERC Account No.					Total
			364 (1)	365 (2)	366 (3)	367 (4)	368 (5)	
1	Alabama Power Company	18117 & 18416	100%	50%	100%	50%	28%	57%
2	Ameren Missouri	ER-2011-0028	22%	41%	68%	68%	57%	50%
3	Central Hudson Gas & Electric Company	17-E-0459	81%	73%	75%	76%	46%	71%
4	Duquesne Light Company	R-2018-3000124	20%	20%	4%	4%	69%	26%
5	Georgia Power Company	D-36989	63%	31%	7%	8%	25%	36%
6	Gulf Power Company	D-160186-EI	45%	20%	6%	7%	27%	24%
7	Kentucky Utilities	2016-00370	59%	59%	80%	80%	47%	59%
8	Louisville Gas and Electric Company	2016-00371	59%	59%	64%	64%	41%	58%
9	Metropolitan Edison	R-2016-2537349	73%	82%	0%	90%	52%	72%
10	Minnesota Power	D-E-015/GR-16-664	47%	47%	27%	27%	39%	38%
11	Mississippi Power Company	N/A	50%	53%	46%	59%	51%	52%
12	New York State Electric & Gas Corporation	15-E-0283	50%	50%	50%	50%	50%	50%
13	Niagara Mohawk Power Company	17-E-0238	53%	52%	50%	50%	0%	40%
14	Northern States Power Company	E002/GR-15-826	56%	56%	65%	65%	59%	61%
15	PECO Energy Company: Electric Division	R-2018-3000164	28%	28%	28%	24%	0%	24%
16	Pennsylvania Electric Company	R-2016-2537352	74%	84%	0%	82%	62%	76%
17	Duke Energy Progress, LLC	E-2, Sub 1142	86%	86%	76%	76%	29%	68%
18	Rochester Gas and Electric Corporation	C-15-E-0285	50%	50%	50%	50%	50%	50%
19	South Carolina Electric & Gas Company	D-2012-218-E	40%	40%	0%	0%	32%	39%
20	Tampa Electric Company	D-130040-EI	67%	11%	9%	N/A	24%	25%
21	Virginia Electric Power Company	C-PUE-2015-00027	41%	16%	17%	17%	9%	18%
22	West Penn Power Company	R-2016-2537359	82%	92%	0%	87%	71%	75%
23	Wisconsin Public Service Corporation	6690-UR-124	75%	65%	0%	63%	52%	64%

Pennsylvania Public Utility Commission
v.
PECO Energy Company – Electric Division

Docket No. R-2018-3000164

Response of PECO Energy Company
To Interrogatories of the
Philadelphia Area Industrial Energy Users Group
PAIEUG Set I
Response Date: 05/16/2018

PAIEUG-I-3

Referring to PECO's Response to OCA-I-16:

- a. Please identify the FERC Account numbers in which call center costs are booked.
- b. Please state whether and the extent in which large commercial or industrial customers use the call center.

RESPONSE:

- a. Because PECO does not budget by FERC Account, the information necessary to provide a breakdown of call center costs is not available. For historical call center costs, the charges have been recorded to FERC accounts 903000 (Customer records & collection expenses) and 926000 (Employee pensions & benefits).
- b. Large commercial and industrial customers do not use the call center.

Responsible Witness: Jiang Ding

PECO Energy Company
Revised Allocation of Customer Call Center Costs
Charged to FERC Account Nos. 903 and 906
(Dollar Amounts in 000)
Test Year Ending December 31, 2019

Line	Description	Allocator	Total	Residential	Residential Heating	General Service	Primary Distribution	High Tension	Electric Propulsion	Lighting
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
FERC Account No. 903										
1	Allocation per PECO	CUSTREC	\$71,133	\$52,892	\$7,949	\$5,970	\$533	\$3,330	\$14	\$444
2	Call Center Related		20,811	15,474	2,326	1,747	156	974	4	130
3	Other		50,322	37,418	5,623	4,224	377	2,356	10	314
4	PECO Account Executives Adj.	OCA	(0)	(3,016)	(453)	2,016	55	1,348	75	(25)
5	Call Center Adjustment		(0)	2,487	374	(1,747)	(156)	(974)	(4)	21
6	Revised Allocation		\$71,133	\$52,363	\$7,869	\$6,240	\$432	\$3,704	\$85	\$439
FERC Account No. 926										
7	Allocation per PECO	SALWAGES	\$32,618	\$19,290	\$3,875	\$5,082	\$224	\$3,566	\$200	\$382
8	Call Center Related		3,596	2,127	427	560	25	393	22	42
9	Other		29,021	17,163	3,447	4,522	199	3,173	178	340
10	Call Center Adjustment		0	819	165	(560)	(25)	(393)	(22)	16
11	Revised Allocation		\$32,618	\$20,109	\$4,039	\$4,522	\$199	\$3,173	\$178	\$398
Total Account Nos. 903 and 926										
12	Allocation per PECO		\$103,751	\$72,182	\$11,823	\$11,052	\$757	\$6,896	\$214	\$826
13	Revised Allocation		\$103,751	\$72,472	\$11,908	\$10,762	\$632	\$6,877	\$263	\$838

PECO Energy Company
Electric Class Cost of Service Study (\$000)
For Future Test Year Ended December 31, 2019
I&E PROPOSED SCALE-BACK STEPS

Line	Description	Total								
		Total	Rate R	Rate RH	Residential	Rate GS	Rate PD	Rate HT	Rate EP	Lighting
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Subsidy at Proposed Rates									
1	PECO Proposed	\$0	\$56	(\$8,892)	(\$8,836)	\$6,624	\$179	\$2,956	(\$1,291)	\$368
2	PAIEUG Revised	(\$0)	(\$9,805)	(\$12,739)	(\$22,544)	\$10,471	\$382	\$10,642	(\$471)	\$1,520
3	Proposed Increase	\$146,991	\$80,680	\$20,076	\$100,756	\$23,143	\$810	\$19,971	\$1,161	\$1,150
4	Step 1	(\$10,000)	\$0	\$0	\$0	(\$9,190)	(\$810)	\$0	\$0	\$0
5	% Scale Back	7%	0%	0%	0%	40%	100%	0%	0%	0%
6	Step 2	(\$35,000)	(\$14,607)	(\$2,103)	(\$16,710)	(\$14,000)	(\$810)	(\$3,100)	\$0	(\$380)
7	% Scale Back	24%	18%	10%	17%	60%	100%	16%	0%	33%
8	Step 3	(\$70,000)	(\$34,724)	(\$5,001)	(\$39,725)	(\$20,690)	(\$810)	(\$7,800)	\$0	(\$975)
9	% Scale Back	48%	43%	25%	39%	89%	100%	39%	0%	85%
10	Step 4	(\$100,000)	(\$51,842)	(\$7,466)	(\$59,308)	(\$26,732)	(\$810)	(\$12,000)	\$0	(\$1,150)
11	% Scale Back	68%	64%	37%	59%	116%	100%	60%	0%	100%
12	Step 5	(\$125,000)	(\$66,293)	(\$9,547)	(\$75,840)	(\$31,900)	(\$810)	(\$15,300)	\$0	(\$1,150)
13	% Scale Back	85%	82%	48%	75%	138%	100%	77%	0%	100%

Pennsylvania Public Utility Commission
v.
PECO Energy Company – Electric Division

Docket No. R-2018-3000164

Response of PECO Energy Company
To Interrogatories of the
Philadelphia Area Industrial Energy Users Group
PAIEUG Set V

Response Date: 06/28/2018

PAIEUG-V-1

Please refer to PECO Energy Company Statement No. 6-R, Rebuttal Testimony of Alan Cohn, in *Pennsylvania Public Utility Commission v. PECO Energy Company – Electric Division*. On pages 9-10 of Statement No. 6-R, Mr. Cohn notes that PECO transferred approximately \$32 million of assets from transmission to distribution accounts. Please provide a detailed description of the facilities that were transferred, including a breakdown of the amount of investment by FERC account.

RESPONSE:

Attachment PAIEUG-V-1(a) provides the net assets of \$21M that were transferred from transmission to distribution in 2009. The Company transferred an additional approximately \$12M from transmission to distribution in 2013. Refer to Attachment PAIEUG-V-1(b). The 2013 transfer was a transfer/reclassification of equipment from transmission to high voltage distribution within the distribution plant function account. The dollar amounts were included in the 2009 transfers. The level of detail provided in Attachment PAIEUG-V-1(a) and Attachment PAIEUG-V-1(b) is limited to the assets transferred from transmission to distribution. Otherwise, PECO does not maintain Property, Plant and Equipment records by operating voltage.

Responsible Witness: Jiang Ding

Attachment PAIEUG-V-1(a)

PECO Asset Transfers in 2009

			Cost		
Sum of activity_cost	major_location	utility_account	Transfer In	Transfer Out	Grand Total
asset_location					
0035 Delchester Division	PECO Distribution	PEE 360 Right of Way	\$	(220,942)	\$ (220,942)
0035 Delchester Division	PECO Distribution	PEE 364 Poles, Towers and Fixtures	\$	(4,925,128)	\$ (4,925,128)
0035 Delchester Division	PECO Distribution	PEE 365 Overhead Cndctrs & Devices	\$	(5,698,003)	\$ (5,698,003)
0035 Delchester Division	PECO Distribution	PEE 366 Undergrnd Conduit & Manhole	\$	(1,062,624)	\$ (1,062,624)
0035 Delchester Division	PECO Distribution	PEE 367 Undergrnd Cndctrs & Devices	\$	(1,581,540)	\$ (1,581,540)
0035 Delchester Division Total			\$	(13,488,236)	\$ (13,488,236)
0726 Schuylkill Sub. 66-13kv	PECO Transmission Substations	PEE 362 Station Equipment	\$	-	\$ -
0726 Schuylkill Sub. 66-13kv Total			\$	-	\$ -
0727 Grays Ferry Substatn 220-66kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 189,168		\$ 189,168
0727 Grays Ferry Substatn 220-66kv Total			\$ 189,168		\$ 189,168
0731 Richmond Substation 220kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 69,468		\$ 69,468
0731 Richmond Substation 220kv Total			\$ 69,468		\$ 69,468
0732 Delaware Sub 132-66-13kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 57,361	\$ (147,140)	\$ (89,779)
0732 Delaware Sub 132-66-13kv Total			\$ 57,361	\$ (147,140)	\$ (89,779)
0733 Westmoreland Sub 66kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 70,746		\$ 70,746
0733 Westmoreland Sub 66kv Total			\$ 70,746		\$ 70,746
0735 Byberry Sub 220-132-66kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 77,935		\$ 77,935
0735 Byberry Sub 220-132-66kv Total			\$ 77,935		\$ 77,935
0736 Waneeta Substation 220-132kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 185,489		\$ 185,489
0736 Waneeta Substation 220-132kv Total			\$ 185,489		\$ 185,489
0737 Southwark Sub 66-13kv	PECO Transmission Substations	PEE 361 Structure Building	\$ 743,175		\$ 743,175
0737 Southwark Sub 66-13kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 14,178		\$ 14,178
0737 Southwark Sub 66-13kv Total			\$ 757,353		\$ 757,353
0740 Island Road Substation	PECO Transmission Substations	PEE 361 Structure Building	\$ 146,367		\$ 146,367
0740 Island Road Substation	PECO Transmission Substations	PEE 362 Station Equipment	\$ 167,638		\$ 167,638
0740 Island Road Substation Total			\$ 314,005		\$ 314,005
0752 Woodlyn Substation 132-66kv	PECO Transmission Substations	PEE 360 Land owned in fee	\$ 38,294		\$ 38,294
0752 Woodlyn Substation 132-66kv	PECO Transmission Substations	PEE 361 Structure Building	\$ 41,864		\$ 41,864
0752 Woodlyn Substation 132-66kv	PECO Transmission Substations	PEE 361 Structure Improvement	\$ 123,930		\$ 123,930
0752 Woodlyn Substation 132-66kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 2,156,808		\$ 2,156,808
0752 Woodlyn Substation 132-66kv Total			\$ 2,360,896		\$ 2,360,896
0765 Emilie Substation 220-132kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 93,016		\$ 93,016
0765 Emilie Substation 220-132kv Total			\$ 93,016		\$ 93,016
0771 CrombySubstation 132-66-20kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 158,476		\$ 158,476
0771 CrombySubstation 132-66-20kv Total			\$ 158,476		\$ 158,476
0772 Ply MTG Sub 220-132-66kv	PECO Transmission Substations	PEE 361 Structure Building	\$ 234,742		\$ 234,742
0772 Ply MTG Sub 220-132-66kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 5,461,661	\$ -	\$ 5,461,661
0772 Ply MTG Sub 220-132-66kv Total			\$ 5,696,403	\$ -	\$ 5,696,403
0776 PBAPS 500-220kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 2,080,013		\$ 2,080,013
0776 PBAPS 500-220kv Total			\$ 2,080,013		\$ 2,080,013
0777 Heaton Substation 220-13kv	PECO Transmission Substations	PEE 361 Structure Building	\$ 74,417		\$ 74,417
0777 Heaton Substation 220-13kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 37,176		\$ 37,176
0777 Heaton Substation 220-13kv Total			\$ 111,594		\$ 111,594
0778 Roxborough Sub 220-66kv	PECO Transmission Substations	PEE 362 Station Equipment	\$ 1,584,576		\$ 1,584,576
0778 Roxborough Sub 220-66kv Total			\$ 1,584,576		\$ 1,584,576
0779 Morton 230kv Sw. Sta.	PECO Transmission Substations	PEE 362 Station Equipment	\$ 191,177		\$ 191,177
0779 Morton 230kv Sw. Sta. Total			\$ 191,177		\$ 191,177
2512 Callowhill Substation 132-13kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 1,745,266		\$ 1,745,266
2512 Callowhill Substation 132-13kv Total			\$ 1,745,266		\$ 1,745,266
2527 Grays Ferry Substatn 220-13kv	PECO Distribution Substations	PEE 361 Structure Building		\$ (84,640)	\$ (84,640)
2527 Grays Ferry Substatn 220-13kv Total				\$ (84,640)	\$ (84,640)
2537 Island Road Substation	PECO Distribution Substations	PEE 361 Structure Building	\$ 146,367		\$ 146,367
2537 Island Road Substation	PECO Distribution Substations	PEE 362 Station Equipment	\$ 35,978		\$ 35,978
2537 Island Road Substation Total			\$ 182,345		\$ 182,345
2554 Lombard Substation 66-13kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 614,945		\$ 614,945
2554 Lombard Substation 66-13kv Total			\$ 614,945		\$ 614,945
2570 Parrish Substation 220-13kv	PECO Distribution Substations	PEE 361 Structure Building		\$ (85,836)	\$ (85,836)
2570 Parrish Substation 220-13kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 114,448		\$ 114,448
2570 Parrish Substation 220-13kv Total			\$ 114,448	\$ (85,836)	\$ 28,612
2574 Passyunk Substation 66-13kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 56,585		\$ 56,585
2574 Passyunk Substation 66-13kv Total			\$ 56,585		\$ 56,585
2576 Penn Substation 66-13kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 245,448		\$ 245,448
2576 Penn Substation 66-13kv Total			\$ 245,448		\$ 245,448
2595 Tuna Substation 66kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 5,033,869		\$ 5,033,869
2595 Tuna Substation 66kv Total			\$ 5,033,869		\$ 5,033,869
2596 University Substation 66-13kv	PECO Distribution Substations	PEE 361 Structure Building	\$ 1,439,219		\$ 1,439,219
2596 University Substation 66-13kv Total			\$ 1,439,219		\$ 1,439,219
2597 Waverly Substation 66-13kv	PECO Distribution Substations	PEE 362 Station Equipment		\$ (1,653,865)	\$ (1,653,865)
2597 Waverly Substation 66-13kv Total				\$ (1,653,865)	\$ (1,653,865)
2599 Tunnel Substation 66-13 KV	PECO Distribution Substations	PEE 362 Station Equipment		\$ (5,290)	\$ (5,290)
2599 Tunnel Substation 66-13 KV	PECO Distribution Substations	PEE 366 Undergrnd Conduit & Manhole		\$ -	\$ -
2599 Tunnel Substation 66-13 KV	PECO Distribution Substations	PEE 367 Undergrnd Cndctrs & Devices		\$ -	\$ -
2599 Tunnel Substation 66-13 KV Total				\$ (5,290)	\$ (5,290)
2954 North Phila. sub 66-13kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 27,064		\$ 27,064
2954 North Phila. sub 66-13kv Total			\$ 27,064		\$ 27,064
2964 Richmond Sub 220-13kv	PECO Distribution Substations	PEE 362 Station Equipment		\$ (113,484)	\$ (113,484)
2964 Richmond Sub 220-13kv Total				\$ (113,484)	\$ (113,484)
2968 Roxborough Sub 66-13kv	PECO Distribution Substations	PEE 362 Station Equipment		\$ (87,893)	\$ (87,893)
2968 Roxborough Sub 66-13kv Total				\$ (87,893)	\$ (87,893)
3542 Clay Substation 220-33kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 539,782		\$ 539,782
3542 Clay Substation 220-33kv Total			\$ 539,782		\$ 539,782
3575 Eagle 33-4Kv Sub-Imprmnts	PECO Distribution Substations	PEE 362 Station Equipment		\$ (1,438,426)	\$ (1,438,426)
3575 Eagle 33-4Kv Sub-Imprmnts Total				\$ (1,438,426)	\$ (1,438,426)
3606 Goshen 69-33 Sub	PECO Distribution Substations	PEE 362 Station Equipment		\$ -	\$ -
3606 Goshen 69-33 Sub Total				\$ -	\$ -
3615 Hamorton Substation 33-4kv	PECO Distribution Substations	PEE 360 Land owned in fee		\$ (288)	\$ (288)

Attachment PAIEUG-V-1(a)

PECO Asset Transfers in 2009

			Cost		
Sum of activity_cost	major_location	utility_account	Transfer In	Transfer Out	Grand Total
asset_location					
3615 Hamorton Substation 33-4kv Total				\$ (288)	\$ (288)
3750 Planebrook Substation 220-33kv	PECO Distribution Substations	PEE 362 Station Equipment		\$ (5,284,107)	\$ (5,284,107)
3750 Planebrook Substation 220-33kv Total				\$ (5,284,107)	\$ (5,284,107)
3798 Tredyffrin Substation 230-13kv	PECO Distribution Substations	PEE 362 Station Equipment		\$ (5,974,162)	\$ (5,974,162)
3798 Tredyffrin Substation 230-13kv Total				\$ (5,974,162)	\$ (5,974,162)
4042 Betzwood Substation	PECO Distribution Substations	PEE 362 Station Equipment		\$ (662,675)	\$ (662,675)
4042 Betzwood Substation Total				\$ (662,675)	\$ (662,675)
4086 Flint Substation 220-13kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 352,142		\$ 352,142
4086 Flint Substation 220-13kv Total			\$ 352,142		\$ 352,142
4100_Hartman_Substation	PECO Distribution Substations	PEE 362 Station Equipment		\$ (2,080,601)	\$ (2,080,601)
4100_Hartman_Substation Total				\$ (2,080,601)	\$ (2,080,601)
4107 Heaton Substatn 220-132-13kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 171,647		\$ 171,647
4107 Heaton Substatn 220-132-13kv Total			\$ 171,647		\$ 171,647
4188 North Wales Sub 230-33kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 2,686,641		\$ 2,686,641
4188 North Wales Sub 230-33kv Total			\$ 2,686,641		\$ 2,686,641
4203 Perkiomen Substation 132-33kv	PECO Distribution Substations	PEE 361 Structure Building	\$ 445,517		\$ 445,517
4203 Perkiomen Substation 132-33kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 56,532		\$ 56,532
4203 Perkiomen Substation 132-33kv Total			\$ 502,049		\$ 502,049
4209 Ply MTG Sub 220-66-13kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 6,690,176		\$ 6,690,176
4209 Ply MTG Sub 220-66-13kv Total			\$ 6,690,176		\$ 6,690,176
4248 Upper Merion Sub 220kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 50,108		\$ 50,108
4248 Upper Merion Sub 220kv Total			\$ 50,108		\$ 50,108
4250 Upper Prov Sub 230-33kv	PECO Distribution Substations	PEE 360 Land owned in fee	\$ 201,201		\$ 201,201
4250 Upper Prov Sub 230-33kv	PECO Distribution Substations	PEE 362 Station Equipment		\$ (1,014,096)	\$ (1,014,096)
4250 Upper Prov Sub 230-33kv Total			\$ 201,201	\$ (1,014,096)	\$ (812,894)
4664 Newtown Square Sub 66-13kv	PECO Distribution Substations	PEE 362 Station Equipment		\$ (763,229)	\$ (763,229)
4664 Newtown Square Sub 66-13kv Total				\$ (763,229)	\$ (763,229)
4729 Warminster Substation 220-13kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 429,894		\$ 429,894
4729 Warminster Substation 220-13kv Total			\$ 429,894		\$ 429,894
4732 Warrington Substation 33-4kv	PECO Distribution Substations	PEE 362 Station Equipment		\$ (35)	\$ (35)
4732 Warrington Substation 33-4kv Total				\$ (35)	\$ (35)
4744 Woodbourne Substation220-33kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 33,627		\$ 33,627
4744 Woodbourne Substation220-33kv Total			\$ 33,627		\$ 33,627
5002 220Kv Concord Sub to Mikkletown Sub	PECO Distribution Substations	PEE 360 Land owned in fee		\$ (32,218)	\$ (32,218)
5002 220Kv Concord Sub to Mikkletown Sub Total				\$ (32,218)	\$ (32,218)
5030 Chester Substation 33-13kv	PECO Distribution Substations	PEE 361 Structure Improvement	\$ 89,065		\$ 89,065
5030 Chester Substation 33-13kv Total			\$ 89,065		\$ 89,065
5177 Sharon Hill Substation 66-33kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 26,018		\$ 26,018
5177 Sharon Hill Substation 66-33kv Total			\$ 26,018		\$ 26,018
5216 Woodlyn Substation 66-33-13kv	PECO Distribution Substations	PEE 362 Station Equipment	\$ 15,269		\$ 15,269
5216 Woodlyn Substation 66-33-13kv Total			\$ 15,269		\$ 15,269
5561 Blueball Substation 13-69kv	PECO Distribution Substations	PEE 362 Station Equipment		\$ (294,595)	\$ (294,595)
5561 Blueball Substation 13-69kv Total				\$ (294,595)	\$ (294,595)
7121 Schuylkill - Penn 66Kv	PECO 66kv Transmission Lines	PEE 366 Undergrnd Conduit & Manhole	\$ 128,639		\$ 128,639
7121 Schuylkill - Penn 66Kv	PECO 66kv Transmission Lines	PEE 367 Undergrnd Cndctrs & Devices	\$ 409,868		\$ 409,868
7121 Schuylkill - Penn 66Kv Total			\$ 538,507		\$ 538,507
7127 Schuylkill - Lombard 66Kv	PECO 66kv Transmission Lines	PEE 366 Undergrnd Conduit & Manhole	\$ 1,068,749		\$ 1,068,749
7127 Schuylkill - Lombard 66Kv	PECO 66kv Transmission Lines	PEE 367 Undergrnd Cndctrs & Devices	\$ 655,259		\$ 655,259
7127 Schuylkill - Lombard 66Kv Total			\$ 1,724,008		\$ 1,724,008
7128 Schuylkill - Penn 66Kv	PECO 66kv Transmission Lines	PEE 366 Undergrnd Conduit & Manhole	\$ 43,987		\$ 43,987
7128 Schuylkill - Penn 66Kv	PECO 66kv Transmission Lines	PEE 367 Undergrnd Cndctrs & Devices	\$ 344,608		\$ 344,608
7128 Schuylkill - Penn 66Kv Total			\$ 388,595		\$ 388,595
7130 66Kv Southwark Sub - Waverly Sub	PECO 66kv Transmission Lines	PEE 362 Station Equipment	\$ 358,686		\$ 358,686
7130 66Kv Southwark Sub - Waverly Sub Total			\$ 358,686		\$ 358,686
7149 Eddystone-Tinicum 66Kv	PECO 66kv Transmission Lines	PEE 364 Poles, Towers and Fixtures	\$ 60,953		\$ 60,953
7149 Eddystone-Tinicum 66Kv	PECO 66kv Transmission Lines	PEE 365 Overhead Cndctrs & Devices	\$ 21,925		\$ 21,925
7149 Eddystone-Tinicum 66Kv Total			\$ 82,878		\$ 82,878
7158 Eddystone-Tinicum 66Kv	PECO 66kv Transmission Lines	PEE 364 Poles, Towers and Fixtures	\$ 615,806		\$ 615,806
7158 Eddystone-Tinicum 66Kv	PECO 66kv Transmission Lines	PEE 365 Overhead Cndctrs & Devices	\$ 37,596		\$ 37,596
7158 Eddystone-Tinicum 66Kv Total			\$ 653,403		\$ 653,403
7162 Schuylkill - Lombard 66Kv	PECO 66kv Transmission Lines	PEE 366 Undergrnd Conduit & Manhole	\$ 53,539		\$ 53,539
7162 Schuylkill - Lombard 66Kv	PECO 66kv Transmission Lines	PEE 367 Undergrnd Cndctrs & Devices	\$ 564,177		\$ 564,177
7162 Schuylkill - Lombard 66Kv Total			\$ 617,716		\$ 617,716
7163 Schuylkill - Lombard 66Kv	PECO 66kv Transmission Lines	PEE 366 Undergrnd Conduit & Manhole	\$ 44,163		\$ 44,163
7163 Schuylkill - Lombard 66Kv	PECO 66kv Transmission Lines	PEE 367 Undergrnd Cndctrs & Devices	\$ 813,105		\$ 813,105
7163 Schuylkill - Lombard 66Kv Total			\$ 857,267		\$ 857,267
7185 Island Rd - Sharon Hill 66Kv	PECO 66kv Transmission Lines	PEE 364 Poles, Towers and Fixtures	\$ 164,723		\$ 164,723
7185 Island Rd - Sharon Hill 66Kv	PECO 66kv Transmission Lines	PEE 365 Overhead Cndctrs & Devices	\$ 15,032		\$ 15,032
7185 Island Rd - Sharon Hill 66Kv	PECO 66kv Transmission Lines	PEE 366 Undergrnd Conduit & Manhole	\$ 39,939		\$ 39,939
7185 Island Rd - Sharon Hill 66Kv	PECO 66kv Transmission Lines	PEE 367 Undergrnd Cndctrs & Devices	\$ 333,592		\$ 333,592
7185 Island Rd - Sharon Hill 66Kv Total			\$ 553,287		\$ 553,287
7404 Master - Callohill 13.2Kv	PECO 13.2kv Transmission Lines	PEE 366 Undergrnd Conduit & Manhole	\$ 80,658		\$ 80,658
7404 Master - Callohill 13.2Kv	PECO 13.2kv Transmission Lines	PEE 367 Undergrnd Cndctrs & Devices	\$ 2,361,235		\$ 2,361,235
7404 Master - Callohill 13.2Kv Total			\$ 2,441,893		\$ 2,441,893
7406 Master - Callohill 13.2Kv	PECO 13.2kv Transmission Lines	PEE 366 Undergrnd Conduit & Manhole	\$ 71,920		\$ 71,920
7406 Master - Callohill 13.2Kv	PECO 13.2kv Transmission Lines	PEE 367 Undergrnd Cndctrs & Devices	\$ 1,950,030		\$ 1,950,030
7406 Master - Callohill 13.2Kv Total			\$ 2,021,950		\$ 2,021,950
7408 Delaware - Callohill 13.2Kv	PECO 13.2kv Transmission Lines	PEE 366 Undergrnd Conduit & Manhole	\$ 111,205		\$ 111,205
7408 Delaware - Callohill 13.2Kv	PECO 13.2kv Transmission Lines	PEE 367 Undergrnd Cndctrs & Devices	\$ 2,417,787		\$ 2,417,787
7408 Delaware - Callohill 13.2Kv Total			\$ 2,528,991		\$ 2,528,991
7435 132Kv Bradford-Lukens Steel	PECO 132kv PA Transmission Lines	PEE 364 Poles, Towers and Fixtures	\$ 4,013,388		\$ 4,013,388
7435 132Kv Bradford-Lukens Steel	PECO 132kv PA Transmission Lines	PEE 365 Overhead Cndctrs & Devices	\$ 390,613		\$ 390,613
7435 132Kv Bradford-Lukens Steel Total			\$ 4,404,000		\$ 4,404,000
7436 132Kv Newlinville-Middletown	PECO 132kv PA Transmission Lines	PEE 364 Poles, Towers and Fixtures	\$ 49,724		\$ 49,724
7436 132Kv Newlinville-Middletown	PECO 132kv PA Transmission Lines	PEE 365 Overhead Cndctrs & Devices	\$ 9,312		\$ 9,312
7436 132Kv Newlinville-Middletown Total			\$ 59,036		\$ 59,036

PECO Asset Transfers in 2009

			Cost		
Sum of activity_cost	major_location	utility_account	Transfer In	Transfer Out	Grand Total
asset_location					
7437 132Kv Ply Mtg-Lukens Steel	PECO 132kv PA Transmission Lines	PEE 364 Poles, Towers and Fixtures	\$ 164,022		\$ 164,022
7437 132Kv Ply Mtg-Lukens Steel	PECO 132kv PA Transmission Lines	PEE 365 Overhead Cndctrs & Devices	\$ 56,437		\$ 56,437
7437 132Kv Ply Mtg-Lukens Steel Total			\$ 220,459		\$ 220,459
7441 132Kv Eddy Sub-Woodlyn Sub.	PECO 132kv PA Transmission Lines	PEE 360 Land owned in fee	\$ 25,491		\$ 25,491
7441 132Kv Eddy Sub-Woodlyn Sub.	PECO 132kv PA Transmission Lines	PEE 360 Right of Way	\$ 270,117		\$ 270,117
7441 132Kv Eddy Sub-Woodlyn Sub.	PECO 132kv PA Transmission Lines	PEE 361 Structure Improvement	\$ 13,776		\$ 13,776
7441 132Kv Eddy Sub-Woodlyn Sub.	PECO 132kv PA Transmission Lines	PEE 361 Structure Special Purpose	\$ 40,563		\$ 40,563
7441 132Kv Eddy Sub-Woodlyn Sub.	PECO 132kv PA Transmission Lines	PEE 364 Poles, Towers and Fixtures	\$ 215,248		\$ 215,248
7441 132Kv Eddy Sub-Woodlyn Sub.	PECO 132kv PA Transmission Lines	PEE 365 Overhead Cndctrs & Devices	\$ 296,170		\$ 296,170
7441 132Kv Eddy Sub-Woodlyn Sub.	PECO 132kv PA Transmission Lines	PEE 366 Undergrnd Conduit & Manhole	\$ 6,347		\$ 6,347
7441 132Kv Eddy Sub-Woodlyn Sub.	PECO 132kv PA Transmission Lines	PEE 367 Undergrnd Cndctrs & Devices	\$ 623,419		\$ 623,419
7441 132Kv Eddy Sub-Woodlyn Sub. Total			\$ 1,491,132		\$ 1,491,132
Grand Total			\$ 54,186,293	\$ (33,210,816)	\$ 20,975,478

Attachment PAIEUG-V-1(b)

PECO 2013 Transfers

	Gross Value	Reserve	Net Transfer
7121 Schuylkill - Penn 66Kv	\$ 538,507	\$ (276,981)	\$ 261,526
PEE 366 Undergrnd Conduit & Manhole	\$ 128,639	\$ (123,928)	\$ 4,711
PEE 367 Undergrnd Cndctrs & Devices	\$ 409,868	\$ (153,053)	\$ 256,815
7127 Schuylkill - Lombard 66Kv	\$ 2,032,294	\$ (1,056,086)	\$ 976,208
PEE 366 Undergrnd Conduit & Manhole	\$ 1,377,035	\$ (816,411)	\$ 560,624
PEE 367 Undergrnd Cndctrs & Devices	\$ 655,259	\$ (239,675)	\$ 415,584
7128 Schuylkill - Penn 66Kv	\$ 388,595	\$ (208,535)	\$ 180,060
PEE 366 Undergrnd Conduit & Manhole	\$ 43,987	\$ (35,677)	\$ 8,310
PEE 367 Undergrnd Cndctrs & Devices	\$ 344,608	\$ (172,858)	\$ 171,750
7149 Eddystone-Tinicum 66Kv	\$ 82,878	\$ (64,312)	\$ 18,566
PEE 364 Poles, Towers and Fixtures	\$ 60,953	\$ (45,923)	\$ 15,030
PEE 365 Overhead Cndctrs & Devices	\$ 21,925	\$ (18,389)	\$ 3,536
7158 Eddystone-Tinicum 66Kv	\$ 653,403	\$ (237,487)	\$ 415,916
PEE 364 Poles, Towers and Fixtures	\$ 615,806	\$ (205,955)	\$ 409,852
PEE 365 Overhead Cndctrs & Devices	\$ 37,596	\$ (31,532)	\$ 6,064
7162 Schuylkill - Lombard 66Kv	\$ 617,716	\$ (320,861)	\$ 296,855
PEE 367 Undergrnd Cndctrs & Devices	\$ 53,539	\$ (43,475)	\$ 10,064
PEE 367 Undergrnd Cndctrs & Devices	\$ 564,177	\$ (277,387)	\$ 286,790
7163 Schuylkill - Lombard 66Kv	\$ 857,267	\$ (281,022)	\$ 576,245
PEE 366 Undergrnd Conduit & Manhole	\$ 44,163	\$ (36,957)	\$ 7,205
PEE 367 Undergrnd Cndctrs & Devices	\$ 813,105	\$ (244,065)	\$ 569,040
7185 Island Rd - Sharon Hill 66Kv	\$ 553,287	\$ (281,488)	\$ 271,798
PEE 364 Poles, Towers and Fixtures	\$ 164,723	\$ (74,989)	\$ 89,734
PEE 365 Overhead Cndctrs & Devices	\$ 15,032	\$ (8,517)	\$ 6,515
PEE 366 Undergrnd Conduit & Manhole	\$ 39,939	\$ (33,397)	\$ 6,542
PEE 367 Undergrnd Cndctrs & Devices	\$ 333,592	\$ (164,585)	\$ 169,007
7404 Master - Callohill 13.2Kv	\$ 2,441,893	\$ (1,066,049)	\$ 1,375,844
PEE 366 Undergrnd Conduit & Manhole	\$ 80,658	\$ (60,142)	\$ 20,515
PEE 367 Undergrnd Cndctrs & Devices	\$ 2,361,235	\$ (1,005,907)	\$ 1,355,329
7406 Master - Callohill 13.2Kv	\$ 2,021,950	\$ (889,406)	\$ 1,132,544
PEE 366 Undergrnd Conduit & Manhole	\$ 71,920	\$ (54,161)	\$ 17,759
PEE 367 Undergrnd Cndctrs & Devices	\$ 1,950,030	\$ (835,245)	\$ 1,114,785
7408 Delaware - Callohill 13.2Kv	\$ 2,528,991	\$ (753,802)	\$ 1,775,189
PEE 366 Undergrnd Conduit & Manhole	\$ 111,205	\$ (66,875)	\$ 44,330
PEE 367 Undergrnd Cndctrs & Devices	\$ 2,417,787	\$ (686,927)	\$ 1,730,860
7435 132Kv Bradford-Lukens Steel	\$ 4,404,000	\$ (1,260,735)	\$ 3,143,266
PEE 364 Poles, Towers and Fixtures	\$ 4,013,388	\$ (987,571)	\$ 3,025,817
PEE 365 Overhead Cndctrs & Devices	\$ 390,613	\$ (273,164)	\$ 117,449
7437 132Kv Ply Mtg-Lukens Steel	\$ 220,459	\$ (119,695)	\$ 100,764
PEE 364 Poles, Towers and Fixtures	\$ 164,022	\$ (80,227)	\$ 83,794
PEE 365 Overhead Cndctrs & Devices	\$ 56,437	\$ (39,468)	\$ 16,970
7441 132Kv Eddy Sub-Woodlyn Sub.	\$ 1,491,132	\$ (513,814)	\$ 977,318
PEE 360 Land owned in fee	\$ 25,491		\$ 25,491
PEE 360 Right of Way	\$ 270,117		\$ 270,117
PEE 361 Structure Special Purpose	\$ 54,339	\$ (31,568)	\$ 22,771
PEE 364 Poles, Towers and Fixtures	\$ 329,463	\$ (159,374)	\$ 170,089
PEE 365 Overhead Cndctrs & Devices	\$ 188,302	\$ (75,496)	\$ 112,806
PEE 366 Undergrnd Conduit & Manhole	\$ 274,324	\$ (126,361)	\$ 147,963
PEE 367 Undergrnd Cndctrs & Devices	\$ 349,095	\$ (121,015)	\$ 228,080
Total	\$ 18,832,373	\$ (7,330,273)	\$ 11,502,100

PECO Energy Company
Updated Revised Electric Class Cost of Service Study (\$000)
For Future Test Year Ended December 31, 2019

LINE	DESCRIPTION	TOTAL ELECTRIC DIVISION	RESIDENTIAL	RESIDENTIAL HEATING	GENERAL SERVICE	PRIMARY DISTRIBUTION	HIGH TENSION	ELECTRIC PROPULSION	LIGHTING
	(a)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SUMMARY AT PRESENT RATES									
DEVELOPMENT OF DISTRIBUTION RETURN									
OPERATING REVENUE									
1	Sales of Electricity - Base	1,224,574	681,075	136,434	224,851	8,178	146,754	7,207	20,075
2	Decommissioning Revenues	(3,860)	(1,085)	(281)	(832)	(42)	(1,535)	(65)	(21)
3	Other Operating Revenue	37,547	21,592	5,083	6,422	210	3,579	204	456
4	TOTAL OPERATING REVENUE	1,258,261	701,583	141,237	230,441	8,346	148,798	7,346	20,510
OPERATING EXPENSES									
5	Operation and Maintenance Expense	619,817	366,447	76,491	98,135	3,836	62,781	3,451	8,676
6	Depreciation and Amortization Expense	235,063	130,742	28,031	44,271	1,443	25,101	1,439	4,036
7	Taxes Other Than Income Taxes-General	20,557	10,758	2,460	3,716	151	3,047	176	248
8	Taxes Other Than Income Taxes-Distribution GF	70,638	39,007	7,783	13,135	481	8,623	425	1,184
9	Income Taxes	34,406	15,877	837	9,243	340	7,167	118	824
10	TOTAL OPERATING EXPENSES	980,481	562,832	115,603	168,500	6,251	106,719	5,609	14,968
11	OPERATING INCOME (RETURN)	277,780	138,751	25,634	61,941	2,095	42,079	1,737	5,542
DEVELOPMENT OF RATE BASE									
12	Electric Plant in Service	7,193,629	3,668,118	874,803	1,493,192	46,066	913,158	54,681	143,611
13	Less: Accumulated Depreciation	2,041,533	1,030,697	242,642	428,194	12,483	258,616	15,406	53,496
14	Plus: Rate Base Additions	465,301	261,456	53,692	82,150	3,202	56,816	2,407	5,577
15	Less: Rate Base Deductions	796,981	378,650	94,952	192,325	4,807	103,170	6,130	16,946
16	TOTAL DISTRIBUTION RATE BASE	4,820,416	2,520,228	590,901	954,823	31,977	608,188	35,553	78,746
17	DISTRIBUTION RATE OF RETURN (PRESENT)	5.76%	5.51%	4.34%	6.49%	6.55%	6.92%	4.89%	7.04%
18	DISTRIBUTION INDEX RATE OF RETURN (PRE	1.00	0.96	0.75	1.13	1.14	1.20	0.85	1.22
19	Interclass Subsidy	(0)	(9,805)	(12,739)	10,471	382	10,642	(471)	1,520

PECO Energy Company
Recommended Class Revenue Allocation
Based on the Updated Revised CCSS
Test Year Ending December 31, 2019
Dollar Amounts in (\$000)

Line	Rate	Distribution	Recommended Delivery		Relative Increase
		Revenues at Present Rates	Revenue Increase Amount	Percent	
		(1)	(2)	(3)	(4)
1	Residential	\$681,075	\$89,766	13.2%	110
2	Residential Heating	136,434	21,284	15.6%	130
3	General Service	224,851	21,742	9.7%	81
4	Primary Distribution	8,178	693	8.5%	71
5	High Tension	146,754	11,101	7.6%	63
6	Electric Propulsion	7,207	1,124	15.6%	130
7	Lighting	20,075	1,281	6.4%	53
8	Total	<u>\$1,224,574</u>	<u>\$146,991</u>	12.0%	100

PECO Energy Company
Movement to Cost-Based Rates
Under the Recommended Class Revenue Allocation
And the Updated Revised Class Cost-of-Service Study
Test Year Ending December 31, 2019
Dollar Amounts in (\$000)

Line	Rate	Rate of Return		Relative Rate of Return		Interclass Subsidy		Movement To Cost
		Present Rates	Recomm. Rates	Present Rates	Recomm. Rates	Present Rates	Recomm. Rates	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Residential	5.51%	7.80%	96	101	(\$9,805)	\$2,947	70%
2	Residential Heating	4.34%	6.65%	75	86	(12,739)	(9,570)	25%
3	General Service	6.49%	7.94%	113	103	10,471	3,173	70%
4	Primary Distribution	6.55%	7.96%	114	103	382	115	70%
5	High Tension	6.92%	8.08%	120	105	10,642	3,285	69%
6	Electric Propulsion	4.89%	6.96%	85	90	(471)	(413)	12%
7	Lighting	7.04%	8.11%	122	105	1,520	463	70%
8	Total	5.76%	7.72%	100	100	(\$0)	(\$0)	64%