

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

SCH NO.	LINE NO.	DESCRIPTION	ALLOCATION BASIS	TOTAL ELECTRIC DIVISION	RESIDENTIAL	RESIDENTIAL HEATING	GENERAL SERVICE	PRIMARY DISTRIBUTION	HIGH TENSION	ELECTRIC PROPULSION	LIGHTING	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
S	1	<b>SUMMARY AT PRESENT RATES</b>										
S	2	<b>DEVELOPMENT OF DISTRIBUTION RETURN</b>										
S	3	OPERATING REVENUE										
S	4	Sales of Electricity - Base	CALCULATED	1,224,574	681,075	136,434	224,851	8,178	146,754	7,207	20,075	
S	5	Decommissioning Revenues	CALCULATED	(3,860)	(1,085)	(281)	(832)	(42)	(1,535)	(65)	(21)	
S	6	Other Operating Revenue	CALCULATED	37,547	21,475	5,048	6,360	207	3,777	226	454	
S	7	<b>TOTAL OPERATING REVENUE</b>		<b>1,258,261</b>	<b>701,465</b>	<b>141,202</b>	<b>230,378</b>	<b>8,343</b>	<b>148,996</b>	<b>7,368</b>	<b>20,508</b>	
S	8											
S	9	OPERATING EXPENSES										
S	10	Operation and Maintenance Expense	CALCULATED	619,817	363,611	75,695	97,515	3,930	66,658	3,786	8,623	
S	11	Depreciation and Amortization Expense	CALCULATED	235,063	129,891	27,778	43,842	1,425	26,513	1,593	4,022	
S	12	Taxes Other Than Income Taxes-General	CALCULATED	20,557	10,650	2,429	3,664	149	3,225	195	247	
S	13	Taxes Other Than Income Taxes-Distribution GRT	CALCULATED	70,638	39,007	7,783	13,135	481	8,623	425	1,184	
S	14	Income Taxes	CALCULATED	34,406	17,181	1,212	9,669	323	5,240	(67)	847	
S	15	<b>TOTAL OPERATING EXPENSES</b>		<b>980,481</b>	<b>560,339</b>	<b>114,896</b>	<b>167,825</b>	<b>6,308</b>	<b>110,258</b>	<b>5,933</b>	<b>14,923</b>	
S	16	<b>OPERATING INCOME (RETURN)</b>		<b>277,780</b>	<b>141,126</b>	<b>26,306</b>	<b>62,554</b>	<b>2,035</b>	<b>38,737</b>	<b>1,436</b>	<b>5,586</b>	
S	17											
S	18	<b>DEVELOPMENT OF RATE BASE</b>										
S	19	Electric Plant in Service	CALCULATED	7,193,628	3,636,594	865,331	1,476,537	45,337	966,192	60,550	143,088	
S	20	Less: Accumulated Depreciation	CALCULATED	2,041,533	1,021,807	239,980	423,519	12,280	273,546	17,056	53,345	
S	21	Plus: Rate Base Additions	CALCULATED	465,301	260,118	53,310	81,615	3,184	58,898	2,620	5,555	
S	22	Less: Rate Base Deductions	CALCULATED	796,981	375,232	93,915	190,433	4,723	109,005	6,784	16,889	
S	23	<b>TOTAL DISTRIBUTION RATE BASE</b>	CALCULATED	<b>4,820,415</b>	<b>2,499,673</b>	<b>584,746</b>	<b>944,200</b>	<b>31,518</b>	<b>642,538</b>	<b>39,330</b>	<b>78,409</b>	
S	24											
S	25	<b>DISTRIBUTION RATE OF RETURN (PRESENT)</b>		5.76%	5.65%	4.50%	6.63%	6.46%	6.03%	3.65%	7.12%	
S	26	<b>DISTRIBUTION INDEX RATE OF RETURN (PRESENT)</b>		1.00	0.98	0.78	1.15	1.12	1.05	0.63	1.24	
S	27											
S	28	<b>DEVELOPMENT OF PURCHASED POWER RETURN</b>										
S	29	Purchased Electric Revenues	CALCULATED	653,769	418,108	109,879	92,584	862	31,629	0	708	
S	30	Purchased Power O&M Expense	CALCULATED	610,818	390,640	102,660	86,502	805	29,551	0	661	
S	31	Purchased Power GRT Expense	CALCULATED	38,572	24,668	6,483	5,462	51	1,866	0	42	
S	32	Purchased Power Income Taxes		1,155	739	194	164	2	56	0	1	
S	33	Purchased Power Operating Income		3,224	2,062	542	457	4	156	0	3	
S	34	Rate Base - Purchased Pwr Cash Working Capital	CALCULATED	19,631	12,554	3,299	2,780	26	950	0	21	
S	35	<b>PURCHASED POWER RATE OF RETURN (PRESENT)</b>		16.42%	16.42%	16.42%	16.42%	16.42%	16.42%	0.00%	16.42%	
S	36											
S	37	<b>DEVELOPMENT OF TRANSMISSION RETURN</b>										
S	38	Transmission Revenues	CALCULATED	185,615	86,438	22,449	38,019	1,136	35,728	1,754	91	
S	39	Transmission O&M Expense	CALCULATED	172,218	80,200	20,829	35,275	1,054	33,149	1,628	84	
S	40	Transmission GRT Expense	CALCULATED	10,951	5,100	1,324	2,243	67	2,108	104	5	
S	41	Transmission Income Taxes		672	314	83	138	4	126	6	0	
S	42	Transmission Operating Income		1,773	825	212	363	11	345	17	1	
S	43	Rate Base - Transmission Cash Working Capital	CALCULATED	6,141	2,676	387	1,167	55	1,778	75	4	
S	44	<b>TRANSMISSION RATE OF RETURN (PRESENT)</b>		28.87%	30.82%	54.97%	31.09%	20.03%	19.39%	22.45%	20.50%	
S	45											
S	46	<b>TOTAL OPERATING INCOME (RETURN)</b>		282,776	144,012	27,060	63,373	2,050	39,238	1,452	5,590	
S	47	<b>TOTAL RATE BASE</b>		4,846,186	2,514,903	588,432	948,146	31,599	645,266	39,406	78,435	
S	48	<b>COMPOSITE RATE OF RETURN @ CURRENT RATES</b>		5.84%	5.73%	4.60%	6.68%	6.49%	6.08%	3.69%	7.13%	

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		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
S	49										
S	50										
S	51	EQUALIZED RETURN AT PROPOSED ROR OF 7.79%									
S	52	DEVELOPMENT OF DISTRIBUTION RETURN (EQUALIZED RATE)									
S	53	RATE BASE	CALCULATED	4,820,415	2,499,673	584,746	944,200	31,518	642,538	39,330	78,409
S	54	RETURN (RATE BASE * 7.79% ROR)		375,309	194,620	45,527	73,514	2,454	50,027	3,062	6,105
S	55	PLUS:									
S	56	OPERATING EXPENSES									
S	57	Operation and Maintenance Expense	CALCULATED	621,586	364,580	76,045	97,710	3,938	66,863	3,817	8,632
S	58	Depreciation and Amortization Expense	CALCULATED	235,063	129,891	27,778	43,842	1,425	26,513	1,593	4,022
S	59	Taxes Other Than Income Taxes-General	CALCULATED	20,557	10,650	2,429	3,664	149	3,225	195	247
S	60	Taxes Other Than Income Taxes-Distribution GRT	CALCULATED	79,310	43,764	9,492	14,109	518	9,627	570	1,230
S	61	State and Federal Income Taxes	CALCULATED	74,034	38,917	9,022	14,123	494	9,828	594	1,058
S	62	TOTAL OPERATING EXPENSES		1,030,551	587,801	124,766	173,448	6,523	116,055	6,768	15,190
S	63										
S	64	EQUALS TOTAL COST OF SERVICE		1,405,860	782,421	170,293	246,962	8,977	166,082	9,831	21,294
S	65	LESS:									
S	66	Decommissioning Revenues	CALCULATED	(3,860)	(1,085)	(281)	(832)	(42)	(1,535)	(65)	(21)
S	67	Other Operating Revenue	CALCULATED	38,162	21,812	5,170	6,428	210	3,848	237	458
S	68	EQUALS:									
S	69	DISTRIBUTION BASE RATE SALES @ EQUALIZED ROR 7.79%		1,371,557	761,694	165,404	241,366	8,809	163,769	9,658	20,858
S	70	Distribution Cost Increase without Forfeited Discount		146,985	80,620	28,970	16,515	631	17,015	2,452	782
S	71	TOTAL COST OF SERVICE DISTRIBUTION INCREASE/DECREASE		147,599	80,956	29,091	16,583	634	17,087	2,462	786
S	72	REVENUE INCREASE TO DISTRIBUTION REVENUES W/O FORFEI		12.00%	11.84%	21.23%	7.35%	7.72%	11.59%	34.02%	3.90%
S	73			7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%
S	74	DEVELOPMENT OF PURCH. POWER RETURN (EQUALIZED RATE)									
S	75	RATE BASE (CWC)	CALCULATED	19,631	12,554	3,299	2,780	26	950	0	21
S	76	RETURN (RATE BASE * 7.79% ROR)		1,528	977	257	216	2	74	0	2
S	77	PLUS:									
S	78	OPERATING EXPENSES									
S	79	Purchased Power O&M Expense	CALCULATED	610,818	390,640	102,660	86,502	805	29,551	0	661
S	80	Purchased Power Income Taxes	CALCULATED	466	298	78	66	1	23	0	1
S	81	Purchased Power GRT Expense	CALCULATED	38,423	24,573	6,458	5,441	51	1,859	0	42
S	82	EQUALS TOTAL PURCHASED POWER COST OF SERVICE		651,236	416,488	109,453	92,225	858	31,506	0	705
S	83	TOTAL COST OF SERVICE PURCH.POWER INCREASE/DECREAS		(2,533)	(1,620)	(426)	(359)	(3)	(123)	0	(3)
S	84	REVENUE INCREASE TO DISTRIBUTION REVENUES (%)		-0.39%	-0.39%	-0.39%	-0.39%	-0.39%	-0.39%	0.00%	-0.39%
S	85			7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	0.00%	7.79%
S	86	DEVELOPMENT OF TRANSMISSION RETURN (EQUALIZED RATE)									
S	87	RATE BASE (CWC)	CALCULATED	6,141	2,676	387	1,167	55	1,778	75	4
S	88	RETURN (RATE BASE * 7.79% ROR)		478	208	30	91	4	138	6	0
S	89	PLUS:									
S	90	OPERATING EXPENSES									
S	91	Transmission O&M Expense	CALCULATED	172,218	80,200	20,829	35,275	1,054	33,149	1,628	84
S	92	Transmission Income Taxes	CALCULATED	146	64	9	28	1	42	2	0
S	93	Transmission GRT Expense	CALCULATED	10,837	5,046	1,308	2,219	66	2,090	103	5
S	94	EQUALS TOTAL TRANSMISSION COST OF SERVICE		183,679	85,517	22,177	37,613	1,126	35,420	1,738	90
S	95	TOTAL COST OF SERVICE TRANSMISSION INCREASE/DECREAS		(1,935)	(921)	(273)	(406)	(10)	(308)	(16)	(1)
S	96	REVENUE INCREASE TO RETAIL DISTRIBUTION REVENUES (%)		-1.04%	-1.07%	-1.21%	-1.07%	-0.88%	-0.86%	-0.94%	-0.89%

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		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
S	97			7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%
S	98	<b>TOTAL INCREASE (DECREASE) REQUIRED</b>		143,130	78,414	28,393	15,818	620	16,656	2,446	782
S	99										
S	100										
S	101	<b>EQUALIZED RETURN AT PROPOSED ROR OF 7.79%</b>									
S	102	<b>DEVELOPMENT OF OVERALL RETURN (EQUALIZED RATE)</b>									
S	103	<b>RATE BASE</b>	CALCULATED	4,846,186	2,514,903	588,432	948,146	31,599	645,266	39,406	78,435
S	104	<b>RETURN (RATE BASE * 7.79% ROR)</b>		377,315	195,806	45,814	73,821	2,460	50,239	3,068	6,107
S	105	<b>PLUS:</b>									
S	106	<b>OPERATING EXPENSES</b>									
S	107	Operation and Maintenance Expense	CALCULATED	1,404,623	835,419	199,534	219,487	5,797	129,564	5,444	9,378
S	108	Depreciation and Amortization Expense	CALCULATED	235,063	129,891	27,778	43,842	1,425	26,513	1,593	4,022
S	109	Taxes Other Than Income Taxes-General	CALCULATED	20,557	10,650	2,429	3,664	149	3,225	195	247
S	110	Taxes Other Than Income Taxes-GRT	CALCULATED	128,570	73,382	17,258	21,770	635	13,576	672	1,277
S	111	State and Federal Income Taxes	CALCULATED	74,646	39,279	9,109	14,216	496	9,892	595	1,058
S	112	<b>TOTAL OPERATING EXPENSES</b>		1,863,460	1,088,620	256,108	302,979	8,501	182,769	8,500	15,983
S	113										
S	114	<b>EQUALS TOTAL COST OF SERVICE</b>		2,240,775	1,284,426	301,923	376,800	10,961	233,008	11,568	22,089
S	115	<b>LESS:</b>									
S	116	Decommissioning Revenues	CALCULATED	(3,860)	(1,085)	(281)	(832)	(42)	(1,535)	(65)	(21)
S	117	Other Operating Revenue	CALCULATED	38,162	21,812	5,170	6,428	210	3,848	237	458
S	118	<b>EQUALS:</b>									
S	119	<b>OVERALL BASE RATES @ EQUALIZED ROR 7.79%</b>		2,206,473	1,263,699	297,033	371,204	10,793	230,695	11,396	21,653
S	120	<b>COST OF SERVICE OVERALL INCREASE/DECREASE W/O FORFE</b>		142,515	78,077	28,271	15,750	618	16,584	2,435	779
S	121	<b>TOTAL COST OF SERVICE OVERALL INCREASE/DECREASE</b>		143,130	78,414	28,393	15,818	620	16,656	2,446	782
S	122			7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%	7.79%
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