

# **PECO Exhibit PSB-2**



An Exelon Company

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March 31, 2017

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

**SUBJECT: 2015 Electric Distribution Rate Case Commitment - Response for Capital Expenditures, Plant Additions and Retirements, Docket No. R-2015-2468981**

Dear Secretary Chiavetta:

In accordance with paragraph 21 of PECO Energy's Joint Petition for Settlement of Rate Investigation Docket No. R-2015-2468981, PECO is providing the following responses which are required on or before April 1, 2017. The responses are being provided to the Bureau of Technical Utility Services, the Bureau of Investigation and Enforcement ("I&E"), the Office of Consumer Advocate and the Office of Small Business Advocate and contain updates similar to PECO's response to I&E Interrogatory (Set V) No. RB-25, part 2. The responses set forth PECO's electric division's actual capital expenditures, plant additions and retirements by month for the twelve months ending December 31, 2016.

In PECO's next base rate proceeding, the Company will prepare a comparison of its actual expenses and rate base additions for the twelve months ending December 31, 2016 to its projections in the 2015 rate case.

If you have any questions regarding this matter, please call me at 215-841-5777.

Sincerely,

A handwritten signature in black ink, appearing to read "RW", with a long horizontal flourish extending to the right.

Copies to: P. T. Diskin, Director, Bureau of Technical Utility Services  
R. A. Kanaskie, Director, Bureau of Investigation & Enforcement  
Office of Consumer Advocate  
Office of Small Business Advocate

Enclosures

**PECO Energy**  
**Rate Case Commitment Response relating to FPFTY Capital Expenditures and**  
**Capital Additions for 2016**

As provided in I&E Statement No. 3, pages 9-10:

1. On or before April 1, 2016, PECO will provide the Commission’s Bureau of Technical Utility Services (“TUS”), I&E, OCA, and OSBA an update similar to PECO’s response to I&E-V-RB-25, which will set forth its electric division’s actual capital expenditures, plant additions, and retirements by month for the twelve months ending December 31, 2015.
2. On or before April 1, 2017, PECO will provide a similar update to the response to I&E-V-RB-25, which will include actual capital expenditures, plant additions, and retirements by month for the twelve months ending December 31, 2016.
3. In PECO’s next base rate proceeding, the Company will prepare a comparison of its actual expenses and rate base additions for the twelve months ended December 31, 2016 to its projections in this case.

**Response:**

2a. Total Electric Distribution Capital Expenditures in 2016 were \$405.1M (including allocated Common and General Capital Expenditures to Electric Distribution) as outlined below. This compares to the 2016 budget of \$331.9M as described in the 2015 rate case filing in SDR-ROR-14.

PECO’s capital expenditures were over budget in 2016 by \$73M. Of that amount, \$33M was related to LTIP that was not included in the rate case budget and was contained in a separate filing.

Demand driven factors such as new business, and capacity expansion planning comprised \$14M of the variance. The remaining balance can be attributed to increased requirements for cyber security standards implemented since the filing as well as additional reliability investment.

PECO Energy Company  
Monthly Distribution CapEx  
2016 Actuals

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Distribution	21.9	26.8	28.9	29.5	29.3	29.4	29.0	28.5	32.0	37.5	47.3	64.9	405.1

**PECO Energy**  
**Rate Case Commitment Response relating to FPFTY Capital Expenditures and**  
**Capital Additions for 2016**

2b. Total Electric Distribution Capital Additions in 2016 were \$297.1M as outlined below. This compares to the 2016 budget of \$319.4M as described in the 2015 rate case filing in IE-V-RB-25(a).

PECO Energy Company Monthly Capital Additions 2016 Actuals													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Distribution Plant	14.3	11.2	15.7	14.0	11.6	28.5	25.8	14.2	21.2	33.3	18.6	37.7	245.9
Distribution Plant - LTIP	-	-	-	-	0.9	2.0	0.5	2.9	1.0	1.9	2.1	4.1	15.4
Electric Intangible	1.7	1.7	(0.4)	4.0	1.4	4.6	0.6	0.5	0.6	1.9	0.5	0.2	17.3
General Plant	(0.6)	0.6	0.2	1.2	1.7	0.5	0.5	1.0	0.3	2.0	1.9	9.2	18.5
<b>Distribution Total</b>	<b>15.5</b>	<b>13.4</b>	<b>15.5</b>	<b>19.2</b>	<b>15.6</b>	<b>35.6</b>	<b>27.2</b>	<b>18.6</b>	<b>23.1</b>	<b>39.1</b>	<b>23.1</b>	<b>51.2</b>	<b>297.1</b>

2c. Total Electric Distribution Capital Retirements were \$33.3M as outlined below. This compares to the 2016 budget of \$29.2M as described in the 2015 rate case in PECO Exhibit SAB-3.

PECO Energy Company Monthly Retirements 2016 Actuals													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Distribution Plant	(0.7)	(3.8)	(3.2)	(1.1)	(1.3)	(2.8)	(0.9)	(1.2)	(5.7)	(1.5)	(2.8)	(4.2)	(29.2)
Electric Intangible	-	-	-	-	(0.1)	-	(3.5)	(0.1)	-	(0.3)	-	-	(4.0)
General Plant	-	-	(0.1)	-	-	-	-	-	-	-	-	-	(0.1)
<b>Distribution Total</b>	<b>(0.7)</b>	<b>(3.8)</b>	<b>(3.3)</b>	<b>(1.1)</b>	<b>(1.4)</b>	<b>(2.8)</b>	<b>(4.4)</b>	<b>(1.3)</b>	<b>(5.7)</b>	<b>(1.8)</b>	<b>(2.8)</b>	<b>(4.2)</b>	<b>(33.3)</b>