

Q. SDR-RB-1

- a. Provide a detailed explanation of the Procedures utilized to determine the level of Total Rate Base Elements.
- b. Explain in detail the test that the Company utilized to ensure that non used and useful plant was eliminated from its claim.

A. SDR-RB-1

- a. Refer to PECO Exhibits BSY-1 and BSY-2, Schedules C-1 to C-12, and PECO Statement No. 3, the direct testimony of Benjamin S. Yin, for the procedures utilized to determine the level of total rate base elements for the test year.
- b. To ensure that only plant used in utility operations is included in the current proceeding, the PECO Plant Accounting Department works with operations to perform a detailed review of assets before they are placed in service (moved from account 107 to account 106) and again before the assets are unitized (moved from account 106 to account 101). Additionally, PECO Plant Accounting holds formal annual meetings with representatives of PECO's Real Estate Department to discuss the classification of PECO's land assets. The focus of these meetings includes the review of PECO's Plant Held for Future Use and Non-Utility Plant to identify any changes in status of that property. This assessment also involves potential changes to the classification of utility property. Land that is not used and useful in the Company's utility business is recorded in either account 105, Plant Held for Future Use, or account 121, Non-Utility Plant. Neither of these accounts is included in the Company's claim.

Q. SDR-RB-2 Please provide a detailed comparison of actual and budgeted construction expenditures for the preceding three calendar years and the current year-to-date. Update as additional data become available.

A. SDR-RB-2 Shown below is a comparison of 2015–2017 and year to date January 2018 actual and budgeted electric distribution capital expenditures.

	<u>Actual</u>	<u>Plan</u>	<u>Variance</u>	
2015	367,263,009	355,903,332	(11,359,677)	(1)
2016	405,115,793	331,949,600	(73,166,193)	(2), (5)
2017	466,076,609	474,837,867	8,761,258	(3)
1/31/2018	35,483,124	31,055,424	(4,427,700)	(4)

- (1) 2015 actual spend was \$11.4M greater than planned primarily due to Smart Grid / Smart Meter deployment, corrective maintenance, and a June storm.
- (2) 2016 actual spend was \$73.2M greater than planned primarily due to implementation of electric LTIIIP, corrective maintenance, and IT projects.
- (3) 2017 actual spend was \$8.8M less than planned primarily due to the timing of IT project spending.
- (4) January 2018 spend was \$4.4M greater than planned primarily due to corrective maintenance and the timing of IT project spending.
- (5) 2016 Budget in the above table matches the amount presented in the 2015 Distribution Rate Case Filing. Refer to Exhibit PSB-2. The final Board of Directors approved budget was \$394M due to the addition of the LTIIIP and other distribution items.

Q. SDR-RB-3 Please provide a detailed comparison by function of actual and budgeted plant additions and retirements for the preceding three calendar years and the current year-to-date. Update as additional data become available.

A. SDR-RB-3 For periods covered in this response, plant additions were estimated in the manner described in the response to V-A-3. PECO does not budget plant retirements.

Refer to Attachment SDR-RB-3(a) for 2015 through 2017 and current year-to-date actual and budgeted plant additions by function.

**PECO Energy Company**  
**Actual -vs Budget Plant Additions by Function**  
**(in millions)**

<b>Function</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>2015</b>	\$ 306,521,321	\$ 274,208,165	\$ (32,313,156)
<b>2016</b>	\$ 297,123,850	\$ 319,370,674	\$ 22,246,824
<b>2017</b>	\$ 400,075,855	\$ 407,636,206	\$ 7,560,351
<b>2018 YTD (As of 01/31/18)</b>	\$ 26,130,574	\$ 50,634,710	\$ 24,504,136 <b>A</b>

**A - Variance due to timing of capital additions to occur later in the year**

Q. SDR-RB-4 For each future test year plant addition of greater than \$100,000, provide a schedule showing: a complete description of the project, anticipated retirements related to the plant addition, budgeted cost of total project, starting date of project and original anticipated in-service date.

A. SDR-RB-4 PECO does not forecast monthly plant additions and retirements at either a project or utility account level of detail.

Refer to V-A-3 for an explanation of the methodology used to forecast plant additions and retirements for the fully projected future test year and the future test year.

Q. SDR-RB-5 Provide a schedule of the total cost of plant additions and retirements by plant account for each quarter of the historic test year and Company's estimated quarterly plant additions and retirements for the future (pro forma) test year. Also, provide the Company's projected capital additions and/or construction expenditures for the two calendar years subsequent to the future test year.

A. SDR-RB-5 Refer to Attachment SDR-RB-5(a) for the total cost of additions and retirements by plant account for each quarter of the historic test year (2017)

Refer to Attachment SDR-RB-5(b) for estimated quarterly plant additions for the future test year (2018) and fully projected future test year (2019). Retirements are estimated using a three-year average at the account level. Years 2015 - 2017 were used to calculate the average.

Refer to Attachment SDR-RB-5(c) for the Company's projected capital additions for the two calendar years subsequent to the fully projected future test year (2020 and 2021).

PECO  
Plant In Service Additions and Retirements  
Quarterly as of 12/31/2017

Product	func_class	Utility Account	end_month		06/2017		09/2017		12/2017		Total Sum of additions	Total Sum of retirements
			03/2017	Sum of retirements	Sum of additions	Sum of retirements	Sum of additions	Sum of retirements	Sum of additions	Sum of retirements		
Common	PECO Common - General Plant	301 Organization	-	-	-	-	-	-	-	-	-	-
		303 Software	2,007,644	(4,324,919)	1,528,359	-	2,160,300	-	8,839,025	-	14,535,328	(4,324,919)
		389 Land and Land Rights	-	-	-	-	-	-	-	-	-	-
		390 Structures and Improvements	1,283,730	(3,378)	4,212,074	(106,159)	110,355	(35,545)	6,426,489	(4,266)	12,032,647	(149,349)
		391 Office Furniture and Equipment	4,071,267	-	683,921	-	797,722	(6,221,198)	10,538,539	-	16,091,450	(6,221,198)
		392 Automobiles	-	-	-	(28,835)	-	-	-	-	-	(28,835)
		392 Heavy Trucks	787,649	-	795,811	(1,723,047)	2,250,322	-	2,275,974	(1,084,835)	6,109,755	(2,807,883)
		392 Light Trucks	219,663	-	1,019,141	(1,481,439)	323,413	-	1,105,870	(1,248,813)	2,668,086	(2,730,253)
		392 Medium Trucks	108,986	-	660,903	-	210,616	-	3,368,309	-	4,348,813	-
		392 Other transprt (off road)	-	-	-	(57,396)	-	-	118,132	-	118,132	(57,396)
		392 Tractors	-	-	-	-	-	-	-	(74,306)	-	(74,306)
		392 Trailers	315,729	-	(367,132)	(98,412)	16,574	-	34,474	(7,509)	(356)	(105,922)
		393 Stores Equipment	-	-	-	-	-	-	465,251	-	465,251	-
		394 Construction Tools	-	-	-	-	-	-	-	-	-	-
		394 Garage Equipment	3,990	-	3,990	-	11,987	(144,813)	214,419	-	234,386	(144,813)
		396 Power Operated Equipment	-	-	-	-	-	-	-	-	-	-
		397 Communication Equipment	77,636	-	998	-	5,593	-	55,584	-	139,811	-
		398 Miscellaneous Equipment	-	-	-	-	-	-	-	-	-	-
		399 Other Tangible Property	-	-	-	-	-	-	-	-	-	-
		399.1 Asset Retirement Costs	-	(2,266)	-	(21,320)	-	-	-	(1,370)	-	(24,955)
	<b>PECO Common - General Plant Total</b>		<b>8,876,293</b>	<b>(4,330,563)</b>	<b>8,538,064</b>	<b>(3,516,608)</b>	<b>5,886,881</b>	<b>(6,401,557)</b>	<b>33,442,065</b>	<b>(2,421,100)</b>	<b>56,743,302</b>	<b>(16,669,828)</b>
Common Total			<b>8,876,293</b>	<b>(4,330,563)</b>	<b>8,538,064</b>	<b>(3,516,608)</b>	<b>5,886,881</b>	<b>(6,401,557)</b>	<b>33,442,065</b>	<b>(2,421,100)</b>	<b>56,743,302</b>	<b>(16,669,828)</b>
Electric	PECO Electric - Distribution Plant	360 Land and Land Rights	59,928	-	110,092	-	58,876	-	72,370	-	301,265	-
		361 Structures and Improvements	266,538	(41,139)	1,452,246	(25,083)	3,673,849	(15,715)	5,803,095	-	11,195,728	(81,937)
		362 Station Equipment	10,562,129	(163,144)	8,669,827	(745,924)	3,621,716	(111,691)	20,965,760	(217,237)	43,819,432	(1,237,996)
		364 Poles, Towers and Fixtures	6,343,234	(826,949)	5,541,970	(649,596)	7,528,723	(1,099,568)	12,019,883	(826,310)	31,433,810	(3,402,423)
		365 Overhead Conductors & Devices	15,457,292	(1,385,277)	12,595,576	(1,057,579)	(777,096)	(2,280,259)	28,367,754	(1,268,482)	55,643,525	(5,991,597)
		366 Underground Conduit	5,124,835	(127,028)	3,884,711	(124,886)	7,173,779	(225,584)	2,088,367	(65,015)	18,271,691	(542,512)
		367 Underground Conductors & Devices	11,586,884	(1,757,509)	13,663,252	(3,862,981)	19,279,463	(3,057,917)	31,951,618	(2,512,467)	76,481,216	(11,190,873)
		368 Line Transformers	4,861,528	(1,840,479)	4,689,014	(1,665,214)	3,764,682	(2,219,467)	6,539,147	(1,748,527)	19,854,370	(7,473,687)
		369 Services	1,908,226	(107,260)	2,362,236	(143,127)	2,009,305	(78,729)	2,456,567	(88,660)	8,736,336	(417,776)
		370 Meters	1,398,926	(6,340)	1,628,193	(106)	1,745,262	(523)	3,063,859	(417)	7,836,240	(7,386)
		371 Installations on Customer Premises	-	-	-	-	-	-	-	-	-	-
		373 Street Lighting and Signal Systems	431,653	(162,004)	1,994,084	(104,208)	613,417	(117,329)	4,418,935	(282,032)	7,458,090	(665,573)
		374 Asset Retirement Costs for Distribution Plant	-	3,835	-	(3,955)	-	(4,632)	-	(8,667)	-	(13,419)
	<b>PECO Electric - Distribution Plant Total</b>		<b>58,001,174</b>	<b>(6,413,294)</b>	<b>56,591,199</b>	<b>(8,382,659)</b>	<b>48,691,976</b>	<b>(9,211,414)</b>	<b>117,747,355</b>	<b>(7,017,814)</b>	<b>281,031,703</b>	<b>(31,025,179)</b>
	PECO Electric - General Plant	389 Land and Land Rights	-	-	-	-	-	-	-	-	-	-
		390 Structures and Improvements	60,627	-	(41,598)	(3,702)	35,265	-	1,058,519	-	1,112,813	(3,702)
		391 Office Furniture and Equipment	1,710,005	-	3,086,938	-	49,464	(2,011,977)	1,847,701	-	6,694,108	(2,011,977)
		393 Stores Equipment	-	-	-	-	-	-	-	-	-	-
		394 Tools, Shop & Garage Equipment	769,686	-	2,061,748	-	(100,150)	(889,361)	1,050,423	-	3,781,707	(889,361)
		395 Laboratory Equipment	-	-	-	-	-	-	-	-	-	-
		397 Communication Equipment	2,790,135	(8,570)	4,855,293	(2,835,810)	1,806,960	-	4,034,995	-	13,487,382	(2,844,380)
		398 Miscellaneous Equipment	-	-	-	-	-	(382,607)	-	-	-	(382,607)
		399.1 Asset Retirement Costs	-	-	-	-	-	-	1,226,404	(24,623)	1,226,404	(24,623)
	<b>PECO Electric - General Plant Total</b>		<b>5,330,453</b>	<b>(8,570)</b>	<b>9,962,381</b>	<b>(2,839,513)</b>	<b>1,791,538</b>	<b>(3,283,945)</b>	<b>9,218,041</b>	<b>(24,623)</b>	<b>26,302,414</b>	<b>(6,156,650)</b>
	PECO Electric - Intangible Plant	302 Franchises and Consents	-	-	-	-	-	-	-	-	-	-
		303 Miscellaneous Intangible Plant	13,065,073	(1,071,505)	3,592,989	(525,461)	2,839,785	-	5,469,191	-	24,967,039	(1,596,965)
	<b>PECO Electric - Intangible Plant Total</b>		<b>13,065,073</b>	<b>(1,071,505)</b>	<b>3,592,989</b>	<b>(525,461)</b>	<b>2,839,785</b>	<b>-</b>	<b>5,469,191</b>	<b>-</b>	<b>24,967,039</b>	<b>(1,596,965)</b>
	PECO Electric - Transmission Plant	350 Land and Land Rights	-	-	-	-	-	-	-	-	-	-
		352 Structures and Improvements	1,371,192	-	45,932	(118,000)	2,401,478	(38,206)	4,312,627	(57,378)	8,131,229	(213,585)
		353 Station Equipment	3,797,760	(206,754)	35,916,764	(1,244,306)	778,949	(1,700,436)	28,213,175	(693,462)	68,706,648	(3,844,958)
		354 Towers and Fixtures	10,814	(415,637)	1,454,250	-	-	(4,807)	84,462	(5,749)	1,549,527	(426,194)
		355 Poles and Fixtures	-	-	-	-	-	-	(84,462)	-	(84,462)	-
		356 Overhead Conductors and Devices	31,775	(250,618)	6,909,841	(12,363)	(106,495)	(132,895)	3,035,406	-	9,870,527	(395,877)
		357 Underground Conduit	-	-	247,772	-	(34,927)	-	-	-	212,845	-
		358 Underground Conductors & Devices	-	-	8,900,883	-	(133,057)	-	(284)	-	8,767,542	-
		359 Road and Trails	-	-	-	-	-	-	-	-	-	-
		359.1 Asset Retirement Costs for Transmission Plant	-	-	-	-	-	-	-	-	-	-
	<b>PECO Electric - Transmission Plant Total</b>		<b>5,211,541</b>	<b>(873,009)</b>	<b>53,475,442</b>	<b>(1,374,669)</b>	<b>2,905,948</b>	<b>(1,876,345)</b>	<b>35,560,924</b>	<b>(756,590)</b>	<b>97,153,856</b>	<b>(4,880,614)</b>
Electric Total			<b>81,608,240</b>	<b>(8,366,378)</b>	<b>123,622,012</b>	<b>(13,122,302)</b>	<b>56,229,247</b>	<b>(14,371,704)</b>	<b>167,995,511</b>	<b>(7,799,027)</b>	<b>429,455,012</b>	<b>(43,659,409)</b>
Grand Total			<b>90,484,533</b>	<b>(12,696,941)</b>	<b>132,160,076</b>	<b>(16,638,910)</b>	<b>62,116,128</b>	<b>(20,773,261)</b>	<b>201,437,576</b>	<b>(10,220,127)</b>	<b>486,198,315</b>	<b>(60,329,237)</b>

PECO Energy Company  
 Plant In Service Additions and Retirements  
 Quarterly 2018-2019

Total Projected Additions	Q1-2018	Q2-2018	Q3-2018	Q4-2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019
Common	17,157,278	27,978,591	35,842,145	30,823,582	16,789,658	19,846,996	20,965,315	21,488,005
Electric - Transmission	12,998,891	26,302,440	13,829,705	48,923,695	6,414,197	32,803,367	16,961,804	64,408,838
Electric - Distribution	68,499,474	89,204,065	65,407,240	152,546,328	92,729,580	119,311,956	96,015,162	134,189,988
Electric - General Plant	3,037,743	8,088,219	2,260,690	1,569,847	1,066,963	1,451,776	1,444,342	1,355,418
Electric - Intangible Plant	1,042,483	13,050,729	2,502,700	4,728,635	1,320,335	7,097,324	5,216,094	4,376,812
<b>Total</b>	<b>102,735,869</b>	<b>164,624,044</b>	<b>119,842,480</b>	<b>238,592,087</b>	<b>118,320,733</b>	<b>180,511,419</b>	<b>140,602,717</b>	<b>225,819,061</b>

Total Projected Retirements	Q1-2018	Q2-2018	Q3-2018	Q4-2018	Q1-2019	Q2-2019	Q3-2019	Q4-2019
Common	(4,747,557)	(4,747,557)	(4,747,557)	(4,747,557)	(4,747,557)	(4,747,557)	(4,747,557)	(4,747,557)
Electric - Transmission	(1,181,717)	(1,181,717)	(1,181,717)	(1,181,717)	(1,181,717)	(1,181,717)	(1,181,717)	(1,181,717)
Electric - Distribution	(7,092,289)	(7,092,289)	(7,092,289)	(7,092,288)	(7,092,289)	(7,092,289)	(7,092,289)	(7,092,288)
Electric - General Plant	(1,188,974)	(1,188,974)	(1,188,974)	(1,188,973)	(1,188,974)	(1,188,974)	(1,188,974)	(1,188,973)
Electric - Intangible Plant	(147,209)	(147,209)	(147,208)	(147,208)	(147,209)	(147,209)	(147,208)	(147,208)
<b>Total</b>	<b>(14,357,746)</b>	<b>(14,357,746)</b>	<b>(14,357,745)</b>	<b>(14,357,743)</b>	<b>(14,357,746)</b>	<b>(14,357,746)</b>	<b>(14,357,745)</b>	<b>(14,357,743)</b>

NOTE: Amounts for Common Plant and Electric - General Plant are shown unallocated.



**PECO Energy Company**  
**Plant In Service Additions and Retirements**  
**Annually 2020-2021**

<b>Total Projected Additions</b>	<b>2020</b>		<b>2021</b>
Common	101,022,711		41,788,300
Electric - Transmission	53,354,998		37,381,320
Electric - Distribution	410,039,522		465,046,439
Electric - General Plant	4,468,220		4,649,875
Electric - Intangible Plant	13,329,711		827,245
<b>Total</b>	<b>582,215,162</b>		<b>549,693,179</b>

<b>Total Projected Retirements</b>	<b>2020</b>		<b>2021</b>
Common	(18,990,229)		(18,990,229)
Electric - Transmission	(4,726,867)		(4,726,867)
Electric - Distribution	(28,369,154)		(28,369,154)
Electric - General Plant	(4,755,894)		(4,755,894)
Electric - Intangible Plant	(588,834)		(588,834)
<b>Total</b>	<b>(57,430,978)</b>		<b>(57,430,978)</b>

**NOTE: Amounts for Common Plant and Electric - General Plant are shown unallocated.**

Q. SDR-RB-6 Please provide the actual monthly balance of each of the following items for each month of the historic and future test years to date. Update as additional monthly balances become available.

- a. Electric Plant in Service
- b. Plant Held for Future Use, if a claim is made for AFUDC treatment
- c. CWIP – Pollution Control Expenditures
- d. Accumulated Depreciation and Amortization
- e. Plant Materials and Supplies
- f. Fuel Supplies
- g. Accumulated deferred income taxes broken down by Accounts 190, 282 and 283

A. SDR-RB-6

- a. Refer to Attachment SDR-RB-6(b).
- b. No claims are being made for AFUDC treatment on Plant Held for Future Use.
- c. All pollution control expenditures have been unitized to Plant in Service. There are no pollution control programs in CWIP.
- d. Refer to Attachment SDR-RB-6(c).
- e. Refer to Attachment SDR-RB-6(a).
- f. Refer to Attachment SDR-RB-6(a).
- g. Refer to Attachment SDR-RB-6(a).

PECO  
Actual Monthly Balance by Account for Historic Period  
Presentation Basis - Total Company unless noted  
(in thousands)

<u>Account</u>	<u>2017</u>												<u>2018</u>
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>
a. Electric Plant in Service	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)	(a)
b. Plant held for Future Use, if a claim is made for AFUDC treatment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
c. CWIP - Pollution Control Expenditures	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
d. Accumulated Depreciation and Amortization	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)	(b)
e. Plant Materials and Supplies (Distribution only)	13,295	15,091	15,853	15,846	15,975	16,474	16,790	16,716	17,008	16,260	16,562	16,982	17,356
f. Fuel Supplies (Distribution only)	-	-	-	-	-	-	-	-	-	-	-	-	-
g. Accumulated deferred income taxes broken down by Accts 190, 282, and 283													
	<b>190</b>		All Electric Gas Non-utility	135,366			131,436		147,058			146,712 29,819 13,515	146,712 29,819 13,515
	<b>282</b>		All Electric Gas Non-utility	(3,159,727)		(3,207,079)		(3,265,711)				(1,366,458) (470,045) -	(1,366,458) (470,045) -
	<b>283</b>		All Electric Gas Non-utility	(50,678)		(50,510)		(50,439)				(122,737) (19,230) -	(122,737) (19,230) -

(a) - Refer to Attachment SDR-RB-6(b).  
(b) - Refer to Attachment SDR-RB-6(c).





Q. SDR-RB-7      If a claim for AFUDC treatment on Future Use Property is made, please indicate for each property included in Property Held for Future Use, the following:

- a.      The original cost and date of purchase,
- b.      The planned use of the property,
- c.      The date first included in rate base,
- d.      The date on which the item is expected to be placed in service.

A. SDR-RB-7      Not applicable. The Company is not making a claim for AFUDC on Future Use Property.

Q. SDR-RB-8            If the Company has included any costs associated with canceled construction projects or obsolete inventory in the FTY, please separately identify the items, provide the related amounts, and explain the reason for the cancellation or obsolescence.

A. SDR-RB-8            The Company has not included any costs associated with canceled construction projects or obsolete inventory in the future test year and fully projected future test year.

- Q. SDR-RB-9 Please provide workpapers showing the development of the allocation of common utility plant, etc. (if applicable). Include all calculations performed to develop the allocation and all supporting documents, studies, or other information used. Common utility plant refers to any plant in service, which is used as a common facility between the Company and an affiliate or non-affiliate and from which a billing results.
- A. SDR-RB-9 Refer to Attachment SDR-RB-9(a) for Common Utility Plant Calculations.



PECO Energy Company  
 Development of Factors for Allocation of Common Plant  
 Data as of December 31, 2016

		<b>Plant in Service as of Dec 31, 2016</b>	<b>Total Revenue YTD Dec 2016</b>	<b>Total Customers Month-ended Dec 2016</b>
Electric	<b>A</b>	\$ 7,590,779,745	\$ 2,469,277,946	1,619,646
Gas	<b>B</b>	2,348,125,255	463,380,763	517,065
Subtotal	<b>C</b>	\$ 9,938,905,001	\$ 2,932,658,709	2,136,711
Common		669,965,526		
Total		\$ 10,608,870,527	\$ 2,932,658,709	2,136,711

<b>Allocation Factors:</b>		<b>Plant in Service</b>	<b>Total Revenue</b>	<b>Total Customers</b>	<b>Allocation</b>
Electric	<b>A/C =</b>	76.37%	84.20%	75.80%	<b>78.79%</b>
Gas	<b>B/C =</b>	23.63%	15.80%	24.20%	<b>21.21%</b>
Total		100.00%	100.00%	100.00%	<b>100.00%</b>

**PECO Energy Company**  
**General Plant Allocation Factor - Transmission and Distribution**  
**Data as of December 31, 2016**

		<b>O&amp;M Direct Payroll Distribution</b>	
		<b>YTD Dec 2016</b>	
Transmission	<b>A</b>	\$ 14,070,158	
Electric Distribution:			
Distribution		77,446,125	
Customer Accounts		31,173,617	
Customer Service & Informational exps		1,176,731	
Sales		<u>503,508</u>	
Electric Distribution Total	<b>B</b>	110,299,981	
Total Transmission and Electric Distribution	<b>C</b>	<u>\$ 124,370,139</u>	

**Allocation Factors:**

Transmission	<b>A/C =</b>	<b>11.31%</b>
Electric Distribution	<b>B/C =</b>	<b>88.69%</b>
Total		<b>100.00%</b>

Q. SDR-RB-10 Provide a detailed schedule, on a yearly basis for the last five calendar years, the amount of the initially approved construction budget, (by the Board of Directors) and the actual corresponding amount of completed construction.

A. SDR-RB-10 Shown below are the 2013–2017 actual and budgeted electric distribution capital expenditures.

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
2013	413,803,014	427,575,858	13,772,844
2014	453,946,427	410,061,484	(43,884,943)
2015	367,263,009	355,903,332	(11,359,677)
2016	405,115,793	331,949,600 <sup>(1)</sup>	(73,166,193)
2017	466,076,609	474,837,867	8,761,258

(1) 2016 Budget in the above table matches the amount presented in the 2015 Distribution Rate Case Filing. Refer to Exhibit PSB-2. The final Board of Directors approved budget was \$394M due to the addition of the LTIP and other distribution items.

Q. SDR-RB-11 Provide a detailed schedule, for the last five rate cases, of the amount of forecasted completed plant in service as claimed by the Company and the corresponding amount of plant in service actually completed by the Company by the end of the test year.

A. SDR-RB-11 The requested information is shown in the table below:

<u>Docket No.</u>	<u>Test Year End</u>	<u>Forecasted (Thousand\$)</u>	<u>Actual (Thousand\$)</u>
R-2015-2468981	12/31/2016	\$6,582,669	\$6,557,410 (a)
R-2010-2161575	12/31/2010	\$4,963,804	\$4,928,556 (b)
R-891364	3/31/1990	\$12,133,093	\$12,219,838 (c)
R-850152	6/30/1986	\$8,855,780	\$8,823,712 (d)
R-842590	12/31/1984	\$4,823,004	\$4,803,509 (e)

- (a) 2016 FERC Form No. 1, includes distribution and allocated intangible, general and common plant
- (b) 2010 FERC Form No. 1, includes distribution and allocated intangible, general and common plant
- (c) 1990 FERC Form No. 1, includes electric and allocated common plant
- (d) 1986 FERC Form No. 1, includes electric and allocated common plant
- (e) 1984 FERC Form No. 1, includes electric and allocated common plant

Q. SDR-RB-12 Explain in detail. What accounts were the contributions in aid of construction contributed for? Did the Company depreciate any of the contribution in Aid of construction?

A. SDR-RB-12 Contributions in aid of construction (CIAC) originate from three primary sources: Commercial New Business, Government mandated projects and Independent Power Producers' connections to the Company's transmission infrastructure. The predominant accounts associated with these activities are as follows:

- 353 – Station Equipment
- 354 – Towers and Fixtures
- 355 – Poles and Fixtures
- 356 – Overhead Conductors and Devices
- 357 – Underground Conduit
- 358 – Underground Conductors and Devices
- 362 – Station Equipment
- 364 – Poles, Towers, and Fixtures
- 365 – Overhead Conductors and Devices
- 366 – Underground Conduit and Manhole
- 367 – Underground Conductors and Devices
- 368 – Line Transformers
- 369.1 – Aerial Services
- 369.2 – Underground Services
- 370 – Meters

CIAC is credited to the Company's internal construction costs at a project level on a dollar for dollar basis as incurred. The effect of this accounting results in a reduction of the Company funded project costs, thereby reducing the depreciable cost of the project upon completion. The timing of applying the CIAC funds to the project costs is controlled to insure no inadvertent depreciation is recognized on project costs placed in service with unapplied CIAC.

Q. SDR-RB-13 Please provide all workpapers and supporting documentation relied upon to derive the projected balance of customer advances.

A. SDR-RB-13 Refer to Schedule C-9 of PECO Exhibits BSY-1 and BSY-2 for the amounts of customer advances that are being deducted from rate base for the fully projected future test year and the future test year, respectively. The amounts are the same in both instances and are based on the average of actual customer deposits for the thirteen months ended December 31, 2017.

Q. SDR-RB-14 Please provide the same information requested in the previous question with regard to projected balance of customer deposits.

A. SDR-RB-14 Refer to Schedule C-7 in PECO Exhibits BSY-1 and BSY-2 for the amounts of customer deposits that the Company is deducting from rate base for the fully projected future test year and the future test year, respectively. The amounts are the same in both instances, and reflect an average of actual customer deposits recorded for the thirteen months ending December 31, 2017.

Q. SDR-RB-15 Please provide the actual balances of customer advances and customer deposits for each month from the commencement of the HTY through the most recent month available. Update as additional monthly balances become available.

A. SDR-RB-15 Refer to Attachment SDR-RB-15(a).



<b>Customer Advances for Construction Monthly Balances</b>	
<b>Month</b>	<b>Electric Distribution</b>
Jan-17	(325,048)
Feb-17	(300,000)
Mar-17	(300,000)
Apr-17	(856,912)
May-17	(784,193)
Jun-17	(666,060)
Jul-17	(1,952,794)
Aug-17	(1,501,000)
Sep-17	(1,615,303)
Oct-17	(1,645,177)
Nov-17	(1,724,774)
Dec-17	(373,774)
Jan-18	(1,290,337)

Customer Deposits  
 Thirteen Months Ended January 31, 2018  
 Electric Portion

Month	Total	Residential	Small C&I	Large C&I	Street and Highway Lighting
Jan-17	\$ 48,996,991	\$ 19,728,587	\$ 26,495,569	\$ 2,770,748	\$ 2,087
Feb-17	\$ 49,158,152	\$ 19,888,894	\$ 26,451,227	\$ 2,815,945	\$ 2,085
Mar-17	\$ 49,703,549	\$ 20,113,543	\$ 26,592,556	\$ 2,995,360	\$ 2,089
Apr-17	\$ 50,120,379	\$ 20,404,632	\$ 26,733,880	\$ 2,979,781	\$ 2,086
May-17	\$ 50,386,039	\$ 20,617,904	\$ 26,723,887	\$ 3,042,159	\$ 2,089
Jun-17	\$ 50,755,874	\$ 20,857,010	\$ 26,875,037	\$ 3,021,736	\$ 2,091
Jul-17	\$ 50,903,861	\$ 21,030,923	\$ 26,868,079	\$ 3,002,770	\$ 2,089
Aug-17	\$ 51,218,435	\$ 21,212,243	\$ 26,938,175	\$ 3,066,415	\$ 1,602
Sep-17	\$ 51,368,125	\$ 21,383,734	\$ 26,895,858	\$ 3,086,931	\$ 1,603
Oct-17	\$ 51,633,523	\$ 21,654,026	\$ 26,903,092	\$ 3,074,801	\$ 1,604
Nov-17	\$ 52,832,270	\$ 21,763,407	\$ 26,843,372	\$ 4,223,888	\$ 1,602
Dec-17	\$ 52,958,508	\$ 21,764,716	\$ 26,885,752	\$ 4,306,442	\$ 1,599
Jan-18	\$ 51,618,431	\$ 21,227,270	\$ 26,076,591	\$ 4,312,971	\$ 1,599

- Q. SDR-RB-16      If a claim for prepayments is included in the Work Capital Account, please provide a breakdown of the monthly balance of prepayments by type of prepayment for the preceding three calendar years and the current year-to-date. Update as additional monthly balances become available.
- A. SDR-RB-16      Refer to Exhibit BSY-1 and Exhibit BSY-2, Schedule C-4, for the monthly balances of prepaid expenses for the year 2017 and to Attachment SDR-RB-16(a) for the monthly balances of prepaid expenses for 2015 and 2016.





- Q. SDR-RB-17 Please provide a copy of the workpapers supporting how the lead/lag days were determined for the lead/lag cash working capital analysis.
- A. SDR-RB-17 Refer to Schedule C-4 of PECO Exhibits BSY-1 and BSY-2 and PECO Statement No. 3, the direct testimony of Benjamin S. Yin.

- Q. SDR-RB-18 Please identify the amount of Clean Air Act Amendment (CAAA) permit fees included in test year expenses and the category in which they are included in the lead/lag working capital study.
- A. SDR-RB-18 Not applicable. PECO does not own any generation but instead purchases power from wholesale generation suppliers and the PJM capacity and energy markets to serve its default service customers.

Q. SDR-RB-19 Please provide the actual or projected payment dates for the CAAA permit fees for each state to which fees are paid for the preceding three calendar years and the current year.

A. SDR-RB-19 Not applicable. PECO does not own any generation but instead purchases power from wholesale generation suppliers and the PJM capacity and energy markets to serve its default service customers.



Q. SDR-RB-20 Has the Company claimed any construction work in progress? If so, provide a detailed schedule. Also provide a schedule listing the estimated completion date of CWIP and the estimated in service date.

A. SDR-RB-20 Not applicable. The Company has not claimed any construction work in progress.

Q. SDR-RB-21 Please explain how the Company determined the projected future test year tonnage or gallons of fuel inventory at each power station and provide workpapers supporting the derivation of those amounts.

A. SDR-RB-21 Not applicable. PECO does not own any generation but instead purchases power from wholesale generation suppliers and the PJM capacity and energy markets to serve its default service customers.

- Q. SDR-RB-22 Please explain and provide all workpapers showing the derivation of the estimated 13-month average inventory value of the fuel at each power station.
- A. SDR-RB-22 Not applicable. PECO does not own any generation but instead purchases power from wholesale generation suppliers and the PJM capacity and energy markets to serve its default service customers.

Q. SDR-RB-23 Please provide the actual fuel inventory in tons or gallons and dollars at each power station at the end of each month from the commencement of the HTY through the most recent month available. Update as additional data become available.

A. SDR-RB-23 Not applicable. PECO does not own any generation but instead purchases power from wholesale generation suppliers and the PJM capacity and energy markets to serve its default service customers.

Q. SDR-RB-24 Please explain how the materials and supplies balances for the FTY were projected including inventory valuation method. Provide all supporting workpapers. If the Company uses a model to calculate material and Supply levels, supply an illustrative example of how the monthly balances are derived.

A. SDR-RB-24 Refer to Schedule C-11 of PECO Exhibits BSY-1 and BSY-2 for the Company's claim for materials and supplies, which is based on the average of recorded month end balances for electric operations for the thirteen months ended December 31, 2017.