

Q. SDR-TAX-1 Please provide the most recent actual property tax assessments and rates for each taxing jurisdiction whose annual assessment is \$20,000 or more.

A. SDR-TAX-1 See Confidential Attachment SDR-TAX-1(a) for the most recent assessments and rates for each taxing jurisdiction.

See Confidential Attachment SDR-TAX-1(b) for the latest Pennsylvania Utility Realty Tax Act (PURTA) tax return.

**THE ATTACHMENTS ARE CONFIDENTIAL AND ARE
SUBMITTED ONLY IN THE NON-PUBLIC VERSION OF THIS
RESPONSE FILED WITH THE COMMISSION.**

Q. SDR-TAX-2 Please indicate whether FTY taxes include any assessments or refunds related to prior period taxes. Indicate the amount, the dates covered by the assessment or refund and the period in which the related income or expense was included, and the date the assessment or refund was reflected on the Company's books.

Explain whether reserves had been established prior to being billed for any assessment or any account receivable had been recorded prior to the Company's receiving a refund.

A. SDR-TAX-2 The fully projected future test year and future test year tax claims do not include any assessments or refunds related to prior period taxes. Reserves and accounts receivable have been established and recorded on PECO Energy Company's financial statements according to Generally Accepted Accounting Principles (GAAP). The reserves and accounts receivables are not reflected in fully projected future test year or future test year taxes.

- Q. SDR-TAX-3 Has the Company applied for or is it attempting to negotiate refunds from federal, local, or state taxing authorities? If so, please provide a full explanation and quantify the possible refund or abatement in question. Provide similar information if additional assessments are anticipated.
- A. SDR-TAX-3 Exelon's 2010 federal income tax return included requests for changing PECO's method of accounting for repairs and maintenance costs as well as for retirements. The Section 481(a) adjustments for repairs and for retirements, the 2010 deduction for repairs, and the 2010 adjustment to depreciation were based on the best information available to PECO for the preparation of its federal income tax return. Subsequent to Exelon filing its federal consolidated tax return for the 2010 tax year, PECO refined its computations for these Section 481(a) adjustments and the 2010 deductions for repairs, retirements, and the related depreciation. As a result, an affirmative adjustment was submitted to accurately reflect these deductions for Exelon's 2010 federal consolidated tax return. The amount of the Federal income tax refund related to this adjustment is approximately \$13.9 million. Exelon's Federal audit cycle for tax year 2010 was in 2017. The related audit adjustment for state purposes has been submitted to the state, and settlement is expected in 2018. The state income tax refund would be approximately \$3.4 million after accounting for the Federal tax benefit.

- Q. SDR-TAX-4 Please provide workpapers and supporting documentation showing the derivation of the future test year level of each tax other than income taxes reflected in the Company's filing.
- A. SDR-TAX-4 Refer to Exhibit BSY-1, Schedule D-16, pages 1-3, for 2019, and Exhibit BSY-2, Schedule D-16, pages 1-3, for 2018.

Q. SDR-TAX-5 Please provide a breakdown by source or timing difference of the deferred income tax balances which have not been included in rate base.

A. SDR-TAX-5 Refer to Attachment SDR-TAX-5(a) for the breakdown.

PECO Energy Company
Prepaid and Deferred Taxes
12 Months Ended December 31, 2017
(Thousand \$)

	Electric
Accrued Benefits	849
Addback Of Non-Qualified Stock Expense	1,878
Addback Of Other Equity Compensation Expense	1,248
Bad Debt	13,778
Charitable Contributions	1,570
Customer Advances For Construction	159
Deferred Compensation Liability	2,078
Deferred Rent	98
Deferred Revenue	221
Electric Bill Credit	9,574
FASB112	208
Incentive Pay	9,948
Miscellaneous Deferred Charges	1,154
Obsolete Inventory	430
Other Current	287
Other Unearned Revenue	168
Payroll Taxes AIP 481(a)	627
Pennsylvania NOL	6,077
SA Unbilled Reserve	3,828
Severance Payments	62
Vacation Pay Change	1,005
Vegetation Management Accrual	1,561
Workers Compensation Reserve	10,806
AEC Receivable	(1,727)
Amortization on Loss of Reacquired Debt	(433)
Interest Rate Swap	(568)
Pension	(90,087)
Regulatory Asset	(26,091)
State Deferred Tax Adj	(577)
State Tax Reserve	(3,254)
FAS 109 - Deferred Tax Liabilities	(148,820)
	(203,945)
Regulatory Asset - FAS 109 Flowthrough Items	148,820
	(55,125)

Q. SDR-TAX-6 Please provide all workpapers and supporting documentation for the consolidated tax savings adjustment reflected in the Company's filing.

A. SDR-TAX-6 Refer to PECO Exhibits BSY-1 and BSY-2, Schedule D-18 and PECO Statement No. 3, the direct testimony of Benjamin S. Yin.

Q. SDR-TAX-7 To the extent not provided for in DFR 11.D-23 please provide a copy of the corporate federal tax returns and supporting schedules for the preceding three years and, if applicable, a copy of the calculation workpapers for the Company's consolidated tax savings adjustment.

A. SDR-TAX-7 Refer to Confidential Attachments SDR-TAX-7(a), SDR-TAX-7(b), and SDR-TAX- 7(c) for the Exelon Corporation corporate Federal income tax returns for the preceding three years, 2014, 2015, and 2016, respectively.

Refer to PECO Exhibit SY-1, Schedule D-18, for the workpapers supporting the calculation of what the consolidated tax savings adjustment would have been in the absence of Section 1301.1(a) of the Public Utility Code.

**THE ATTACHMENTS ARE CONFIDENTIAL AND ARE
SUBMITTED ONLY IN THE NON-PUBLIC VERSION OF THIS
RESPONSE FILED WITH THE COMMISSION.**

Q. SDR-TAX-8 Supply a schedule detailing the actual tax liability for a five-year period ending with the historic test year for each of the following taxes. Include the dates and amount of all payments made to satisfy the respective tax liabilities.

- a. PA Capital Stock Tax
- b. PA Corporate Net Income Tax
- c. PA Gross Receipts Tax
- d. PA Public Utility Realty Tax

A. SDR-TAX-8 Refer to Attachment SDR-TAX-8(a).

PECO Energy Company
Schedule of PA Tax Liability & Payments
12 Months Ended December 31, 2013, 2014, 2015, 2016, 2017
(Thousand \$)

	Date	PA Capital Stock	Date	PA Corporate Net Income	Date	PA Gross Receipts Tax	Date	PA Public Utility Realty Tax
2017		NOTE 1						
Liability				2,850		126,187		8,320
Payments								
Overpayments/Prepayments					3/15/2017	128,000	5/1/2017	8,300
Q1 Estimate	3/15/2017		3/15/2017	-				
Q2 Estimate	6/15/2017		6/15/2017	-				
Q3 Estimate	9/15/2017		9/15/2017	-				
Q4 Estimate	12/15/2017		12/15/2017	-				
Extension								
Final					3/15/2018			
Transfers/Credits				9,707				
Liability net of Payments				(6,857)		(1,813)		20
2016		NOTE 1						
Liability				9,324		135,472		8,290
Payments								
Overpayments/Prepayments					3/15/2016	136,069	5/2/2016	8,400
Q1 Estimate	3/15/2016		3/15/2016	2,500				
Q2 Estimate	6/15/2016		6/15/2016	2,000				
Q3 Estimate	9/15/2016		9/15/2016	2,000				
Q4 Estimate	12/15/2016		12/15/2016	8,000				
Extension								
Final					3/15/2017			
Transfers/Credits		4,013						
Liability net of Payments		(4,013)		(5,176)		(597)		(110)
2015								
Liability		1,603		6,592		131,978		8,397
Payments								
Overpayments/Prepayments					3/16/2015	130,000	4/9/2015	7,700
Q1 Estimate	3/16/2015		3/16/2015					
Q2 Estimate	6/15/2015		6/15/2015					
Q3 Estimate	9/15/2015		9/15/2015					
Q4 Estimate	12/15/2015	2,000	12/15/2015	2,000				
Extension								
Final					3/15/2016	1,978		
Transfers/Credits		7,759						
Liability net of Payments		(8,156)		4,592		-		697
2014								
Liability		2,061		352		127,911		8,745
Payments								
Overpayments/Prepayments					3/17/2014	126,000	4/22/2014	8,200
Q1 Estimate	3/17/2014	500	3/17/2014	2,500				
Q2 Estimate	6/16/2014	500	6/16/2014	2,500				
Q3 Estimate	9/15/2014	-	9/15/2014					
Q4 Estimate	12/15/2014	-	12/15/2014					
Extension								
Final					3/16/2015	1,911		
Transfers/Credits		3,724						
Liability net of Payments		(2,663)		(4,648)		-		545
2013								
Liability		2,176		15,934		130,537		7,519
Payments								
Overpayments/Prepayments					3/15/2013	118,690	4/30/2013	8,400
Q1 Estimate	3/15/2013		3/15/2013					
Q2 Estimate	6/15/2013		6/15/2013					
Q3 Estimate	9/15/2013		9/15/2013					
Q4 Estimate	12/15/2013		12/15/2013					
Extension			4/15/2014	3,000				
Final					3/17/2014	11,847		
Transfers/Credits		21,863						
Liability net of Payments		(19,687)		12,934		-		(881)

NOTE 1: Pennsylvania Capital Stock has been phased out after 12/31/15.

Q. SDR-TAX-9 Provide complete copies of the most recently filed PA Corporate Net Income and PA Capital Stock Tax Reports. Include a copy of the official settlement and a copy of the Federal Form 1120 as submitted to the Department of Revenue.

A. SDR-TAX-9 Refer to Confidential Attachment SDR-TAX-9(a) for a copy of the PA 2016 RCT-101, including the Federal Form 1120. The PA Capital Stock Tax has been eliminated effective January 1, 2016. We have not received an official settlement from PA for 2016.

**THE ATTACHMENT IS CONFIDENTIAL AND IS SUBMITTED
ONLY IN THE NON-PUBLIC VERSION OF THIS RESPONSE
FILED WITH THE COMMISSION.**

Q. SDR-TAX-10 Provide copies of the most recently filed PA Gross Receipts Tax and PA Public Utility Realty Tax Reports with copies of the official settlements.

A. SDR-TAX-10 Refer to Confidential Attachments SDR-TAX-10(a) and Attachment SDR-TAX-10(b) for copies of the most recent PA Gross Receipt Tax filing and PA Public Utility Realty Tax Reports.

**THE ATTACHMENTS ARE CONFIDENTIAL AND ARE
SUBMITTED ONLY IN THE NON-PUBLIC VERSION OF THIS
RESPONSE FILED WITH THE COMMISSION.**