

PECO Exhibit BSY-2

Calculation of the Gas Procurement Charge (“GPC”)

PECO-Gas Operations
Annual Gas Procurement Charge (GPC) Calculation
 Effective January 1, 2023
 (Thousand\$)

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LABOR AND BENEFITS

	<u>Costs</u>	<u>Source</u>
Gas Supply	\$583	PECO Exhibit BSY-2, Page 2
Financial and Accounting Support	\$22	PECO Exhibit BSY-2, Page 2
Internal Legal Support	\$23	PECO Exhibit BSY-2, Page 2
Regulatory Support	\$56	PECO Exhibit BSY-2, Page 2
Enterprise Credit and Risk	\$22	PECO Exhibit BSY-2, Page 2
Management Support	<u>\$81</u>	PECO Exhibit BSY-2, Page 2

Total Labor and Benefits \$787 PECO Exhibit BSY-2, Page 2

Outside Legal Costs \$60 PECO Exhibit BSY-2, Page 4

GasStar Related Costs \$64 PECO Exhibit BSY-2, Page 5

Working Capital \$835 PECO Exhibit BSY-2, Page 6

TOTAL COSTS \$1,746

Distribution Base Rate Case Mcf Sales Volumes 65,011,479 Mcf Projected Distribution Sales Volume

Distribution Charge Rate Reduction \$0.0269 \$ per Mcf

Default Customers' Mcf Supply Sales Service Volumes 45,275,031 Mcf Projected Sales Service (Default) Volumes

GPC Rate \$0.0386 \$ per Mcf

PECO-Gas Operations
Annual Procurement Labor and Benefits Costs
January 1, 2023 through December 31, 2023
(Thousand\$)

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	Procurement Hours	Rate \$/Hour (a)	Cost
Gas Supply	5,678.4	\$102.66	\$583
Financial and Accounting Support	214.0	\$102.66	\$22
Internal Legal Support	225.0	\$102.66	\$23
Regulatory Support	550.0	\$102.66	\$56
Enterprise Credit and Risk	216.0	\$102.66	\$22
Management Support	<u>788.8</u>	\$102.66	<u>\$81</u>
Total Labor and Benefits Costs	7,672.2		\$787

Note (a) Per PECO Exhibit BSY-2, Page 3

PECO-Gas Operations
Annual Procurement Labor and Benefit Costs
January 1, 2023 through December 31, 2023

	Costs (Thousand\$)	\$/Hour (a)
Total Base Salaries & Wages	\$41,326	\$60.55
Total Other Payroll	<u>\$7,794</u>	<u>\$11.42</u>
Total Base and Other Payroll	\$49,120	\$71.97
Stock/Incentive Compensation	<u>\$5,679</u>	<u>\$8.32</u>
Total Base/Other Payroll Incl. Stock/Incentive Comp	\$54,799	\$80.29
Taxes Other Than Income, Employment Taxes (FICA, FUTA and SUTA)	\$4,224	\$6.19
Proforma Salaries and Wage Adjustment	\$1,509	\$2.21
Employment Taxes Adjustment	<u>\$130</u>	<u>\$0.19</u>
Total Wages and Employment Taxes	\$60,662	\$88.88
Employee Pensions and Benefits	\$5,974	\$8.75
Pension and Benefits Adjustment	<u>\$3,433</u>	<u>\$5.03</u>
Total Employee Pensions and Benefits	\$9,407	\$13.78
Total Wages, Employment Taxes and Pensions and Benefits	\$70,069	\$102.66
Hours in a Year	2,080	
Total O&M Full Time Equivalents (FTE)	401.94	
Paid Time-Off Factor (b)	1.2250	
Adjusted Hours in a Year	1,698	

Note (a) Total dollars divided by FTE divided by adjusted hours in a year

Note (b) Reflects adjustment to hours based on factors including vacation, holidays and sick time.

PECO-Gas Operations
Annual Outside Legal Expenses
January 1, 2023 through December 31, 2023
(Thousand\$)

	<u>Costs</u>	<u>Source</u>
Outside Legal Expenses	\$60	Company Records

PECO-Gas Operations
Annual Expenses for GasStar
January 1, 2023 through December 31, 2023
(Thousand\$)

	<u>Costs</u>	<u>Source</u>
Annual Expenses	\$90	Company Records
Allocated Commodity Portion	71.11%	PGC No. 38 Compliance Filing, Docket No. R-2021-3025629 Filed November 29, 2021, Effective December 1, 2021, Attachment D
Allocated to GPC	\$64	

PECO-Gas Operations
Annual Cash Working Capital
January 1, 2023 through December 31, 2023
(Thousand\$)

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		<u>Source</u>
Revenue Lag	49.93 days	PECO Exhibit MJT-1, Schedule C-4, Page 23
Purchased Gas Costs Lag	<u>32.53</u> days	PECO Exhibit MJT-1, Schedule C-4, Page 23
Net Lag Days	17.40 days	
Commodity and Capacity Fuel Costs	\$226,628	Based on PECO Exhibit MJT-1, Schedule C-4, Page 23
Commodity Portion	76.80%	PGC No. 38 Compliance Filing, Docket No. R-2021-3025629 Filed November 29, 2021, Effective December 1, 2021, Attachment D
Applicable Fuel Costs	\$174,050	
Average Cost per Day	\$477	
Net Lag Days	17.40 days	
Commodity and GCA Related Cash Working Capital Requirement	\$8,300	
Cash Working Capital Requirement	\$8,300	
Pre-Tax Weighted Overall Rate of Return	10.06% (a)	PECO Exhibit MJT-1, Schedule B-7, Page 13
Cash Working Capital Revenue Requirement	\$835	

Note (a)

	<u>Capital Structure</u>	<u>Return</u>	<u>Weighted Return</u>	<u>After-Tax Return</u>
Debt	46.59%	3.92%	1.83%	1.30%
Common	<u>53.41%</u>	10.95%	<u>5.85%</u>	<u>5.85%</u>
	100.00%		7.68%	7.15%
Composite Federal and State Income Tax Rate	28.892%			
Gross Revenue Conversion Factor	1.40631			
Pre-Tax Weighted Overall Rate of Return				10.06%

PECO-Gas Operations
Annual Distribution Revenue Reduction from the GPC
January 1, 2023 through December 31, 2023
(Thousand\$)

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Rate Schedule	Distribution Mcf <u>Sales</u>	Distribution Charge Rate Reduction <u>\$ per Mcf (a)</u>	Distribution Revenue <u>Reduction</u>
GR Incl CAP	42,191,938	0.0269	\$1,134
GC	22,345,038	0.0269	\$600
L	12,856	0.0269	\$0
OL	-	0.0269	\$0
MVF	<u>461,646</u>	0.0269	<u>\$12</u>
 Total	 65,011,479		 \$1,746 (b)

Note (a) From PECO Exhibit BSY-2, Page 1

Note (b) From PECO Exhibit BSY-2, Page 1, Revenue Reduction Associated with the GPC