



Richard G. Webster, Jr.
Director
Rates and Regulatory Affairs

Telephone 215.841.4000 ext 5777
Fax 215.841.6208
www.exeloncorp.com
dick.webster@exeloncorp.com

PECO Energy Company
2301 Market Street, 515
Philadelphia, PA 19103

Mail To: 8699
Philadelphia, PA 19101-8699

RECEIVED

AUG 2 2010

August 2, 2010

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

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**SUBJECT: PECO Energy Company Implementation of Smart Meter Cost Recovery Surcharge
Mechanism at Docket No. M-2009-2123944**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission are an original and eight copies each of the following:

- 1) Exhibit 1 - Supplement No. 105 to Tariff Electric No. 3 which reflects the new Smart Meter Cost Recovery Surcharge (SMCRS) and Rule 14.10 containing Provisions for Customer Requested Smart Meters;
- 2) Exhibits 2-9 - Computation sheets showing the derivation of the new SMCRS values

PECO Energy Company has calculated the SMCRS to reflect the costs in accordance with the Commission's Final Order approved at Docket No. M-2009-2123944 on April 22, 2010.

The new monthly surcharge to the Variable Distribution Service Charge for Residential customers, (Rates R, RH and OP) is 0.10¢/kWh. The new monthly surcharge to the Fixed Distribution Service Charge for Commercial and Industrial customers (Rates GS, PD, HT and EP) is \$0.79 per customer. These surcharges will be effective for scheduled billing cycles beginning on or after January 1, 2011. Going forward, PECO Energy Company will file updates every quarter to be effective January 1, April 1, July 1 and October 1 along with an annual reconciliation filing each year on August 1 for the 12-month period ended June 30. The August 1 reconciliation will be effective January 1.

Additionally, when the Final Order associated with the current Electric Distribution Rate Case at Docket No. R-2010-2161575 is issued, PECO Energy Company will file updated tariff pages that reflect the new Smart Meter Surcharges.

Would you please acknowledge receipt of the foregoing on the enclosed copy of this letter.

Sincerely,

Copies to: C. Walker-Davis, Director, Office of Special Assistants
Robert Wilson, Director, Bureau of Fixed Utility Services
M. C. Lesney, Director, Bureau of Audits
J. E. Simms, Director, Office of Trial Staff
C. T. Weakley, Office of Trial Staff
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick

EXHIBIT 1

RECEIVED

AUG 2 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

RECEIVED

AUG 2 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

For List of Communities Served, See Page 4.

Issued: August 2, 2010

Effective: January 1, 2011

**ISSUED BY: D. P. O'Brien – President
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101**

NOTICE.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Rules and Regulations 5th Revised Page No. 20

Added Rule 14.10.

Smart Meter Cost Recovery Surcharge (SMCRS) Original Page No. 34F

Added new Surcharge.

PECO Energy Company

TABLE OF CONTENTS

| | |
|---|---|
| List of Communities Served | 4 |
| How to Use Loose-Leaf Tariff | 5 |
| Definition of Terms and Explanation of Abbreviations | 6 ⁵ , 7 ⁵ , 8, 9 ² |
| RULES AND REGULATIONS: | |
| 1. The Tariff | 10 ¹⁴ |
| 2. Service Limitations | 10 ¹⁴ |
| 3. Customer's Installation | 11 ⁵ |
| 4. Application for Service | 12 ⁶ |
| 5. Credit | 13 ⁶ |
| 6. Private-Property Construction | 14 ⁶ |
| 7. Extensions | 15 ² |
| 8. Rights-of-Way | 16 ² |
| 9. Introduction of Service | 17 ² |
| 10. Company Equipment on Customer's Premises | 17 ² |
| 11. Tariff and Contract Options | 18 ⁵ |
| 12. Service Continuity | 18 ⁵ , 19 ² |
| 13. Customer's Use of Service | 20 ⁵ |
| 14. Metering | 20 ⁵ |
| 15. Demand Determination | 21 ⁵ |
| 16. Meter Tests | 22 ³ |
| 17. Billing and Standard Payment Options | 22 ³ , 23 ⁶ |
| 18. Payment Terms & Termination of Service | 24 ⁶ |
| 19. Unfulfilled Contracts | 24 ⁶ |
| 20. Cancellation by Customer | 25 ² |
| 21. General | 26 ³ |
| 22. Direct Access Phase-In Procedures | 26 ³ |
| 23. EGS Switching | 27 ⁵ |
| 24. Load Data Exchange | 28 |
| STATE TAX ADJUSTMENT CLAUSE | |
| COMPETITIVE TRANSITION CHARGE (CTC) | 29 ¹⁴ |
| COMPETITIVE TRANSITION CHARGE (CTC) | 30 ⁵ , 31 ² |
| NET SECURITIZATION ADJUSTMENT | |
| NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA) | 32 ¹⁸ |
| UNIVERSAL SERVICE FUND CHARGE (USFC) | 33 ³ |
| UNIVERSAL SERVICE FUND CHARGE (USFC) | 34 ¹⁰ |
| PROVISION FOR SURCHARGE RECOVERY OF ALTERNATIVE ENERGY PORTFOLIO STANDARD COSTS | 34A, 34B |
| PROVISION FOR RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS | 34D ² , 34E ⁴ |
| PROVISIONS FOR RECOVERY OF SUPPLEMENTAL UNIVERSAL SERVICE FUND COSTS | 34.1 |
| SUMMARY OF PROVISIONS FOR RECOVERY OF UNIVERSAL SERVICE FUND COSTS | 34.2 ¹ |
| SMART METER COST RECOVERY SURCHARGE | 34F |
| RATES: | |
| Rate R Residence Service | 35 ²⁸ , 36 ¹⁴ |
| Rate RT Residence Time-of-Use Service | 37 ³⁰ , 38 ¹³ |
| Rate R-H Residential Heating Service | 39 ³¹ , 40 ⁸ |
| Rate RS-2 | 40A ¹ , 40B ¹ |
| Rate CAP Customer Assistance Program | 41 ¹⁴ , 42 ⁶ |
| Rate OP Off-Peak Service | 43 ²⁴ |
| Rate R-S Renewable Energy Service | 44 ³ , 44A |
| Rate RRTP Residential Real Time Pricing | 44B, 44C |
| Rate GS General Service | 45 ²³ , 46 ¹⁸ , 47 ¹⁷ |
| Rate GS General Service SUPER PEAK TIME OF USE | 46A ¹ , 46B ¹ |
| Rate PD Primary-Distribution Power | 48 ²³ |
| Rate PD Primary Distribution Power SUPER PEAK TIME OF USE | 48A ¹ , 48B ¹ |
| Rate HT High-Tension Power | 49 ²¹ , 50 ⁴ |
| Rate HT High Tension Power Service SUPER PEAK TIME OF USE | 49A ¹ , 49B ¹ |
| Rate POL Private Outdoor Lighting | 51 ¹⁸ , 52 ⁵ |
| Rate SL-P Street Lighting in City of Philadelphia | 53 ¹⁶ , 54 ¹ , 55 ⁴ |
| Rate SL-S Street Lighting-Suburban Counties | 56 ¹⁸ , 57 ¹ |
| Rate SL-E Street Lighting Customer-Owned Facilities | 58 ¹⁵ , 59 |
| Rate TL Traffic Lighting Service | 60 ¹⁴ |
| Rate BLI Borderline Interchange Service | 61 |
| Rate EP Electric Propulsion | 62 ²² , 63 |
| Rate AL Alley Lighting in City of Philadelphia | 64 ¹⁴ |
| RIDERS: | |
| Applicability Index of Riders | 65 ¹⁸ |
| Auxiliary Service Rider | 66 ² , 67 ¹³ , 68 ¹ |
| CAP Rider – Customer Assistance Program | 68A ¹³ , 68B ¹² , 68C ¹² , 68D ¹¹ |
| Capacity Reservation Rider | 69 |
| Casualty Rider | 70 |
| Competitive Default Service | 70A ² |
| Construction Rider | 71 |
| Cooling Thermal Storage HT Rider | 72 ⁴ |
| Curtailment HT Rider | 73 ⁷ |
| Economic Efficiency Rider (EER) | 74 ¹ , 75 |

RULES AND REGULATIONS (continued)

14.4 POWER FACTOR MEASUREMENT. For customers for whom the Company is providing metering and meter reading or Advanced Meter Services, the Company reserves the right to measure the power factor of the customer's load, either by test or by permanently installed instruments. For customers for whom an AMSP is providing Advanced Meter Services, the Company reserves the right to require such AMSP to measure the power factor of the load of the customer on the same basis the Company measures the power factor of customers for which the Company provides metering and meter reading or Advanced Meter Services.

14.5 REVERSE REGISTRATION. The Company may, by ratchet or other device, control its meters to prevent reverse registration.

14.6 ESTIMATED USAGE. The kilowatt-hours and billing demands to be paid for may be determined by computation instead of by measurement in the case of installations having a fixed load or demand value controlled to operate for a definite number of hours each day.

14.7 METER READING INTERVALS. The Company will read its meters in accordance with Appendix C to the Joint Petition for Full Settlement and at scheduled regular intervals of one month. Monthly customer usage will not be prorated for seasonality. For customers for whom it provides Consolidated EDC Billing or Separate EDC Billing, the Company will render standard bills for the recorded use of service based upon the time interval between meter readings. EGS & EDC charges shall be based on the EDC defined meter reading route schedules. Only those bills which cover a period of service of less than 27 days or more than 34 days will be prorated.

14.8 ESTIMATED USAGE. For customers for whom the Company provides meter reading or Advanced Meter Reading Services, the Company shall estimate the amount of service supplied to premises where access to the meter is not available or if such estimate is necessary, and to installations at remote locations when warranted by the type of installation, regularity of usage, or other circumstances. For customers for whom it provides Consolidated EDC Billing or Separate EDC Billing, the Company will render bills in standard form based on such estimate and so marked, for the customer's acceptance. Meter readings will be secured from time to time and billing will be revised when they disclose that the estimate failed to approximate the actual usage. For residential customers, an actual meter reading will be obtained at least every six months in accordance with Commission regulations.

14.9 CUSTOMER SELECTED ADVANCED METERS. A customer may request either PECO Energy or an AMSP to have an Advanced Meter installed and have Advanced Meter Services provided pursuant to Appendix C of the Joint Petition for Full Settlement and any applicable rules adopted by the Commission. For an advanced meter to be deployed in the PECO Energy service territory, it must be included in the Commission's Advanced Meter Catalog, and indicated as eligible for deployment in the PECO Energy territory.

14.10 PROVISIONS FOR CUSTOMER REQUESTED SMART METERS. Once all necessary infrastructure is complete but not later than October 2012 a customer may request that PECO install a smart meter ahead of the planned schedule for their property however the customer must pay the incremental cost of installing the meter outside of the normal installation schedule. For residential and single phase commercial customers the cost is \$17. In the case of more complex meter arrangements the Company shall provide the estimated cost and the customer shall pay the cost prior to the installation.

(C)

15. DEMAND DETERMINATION

15.1 MEASURED DEMANDS. Measured demands may be quantified by recording or indicating instruments showing, unless otherwise specified, the greatest 30-minute rate-of-use of energy, provided that in the case of hoists, elevators, welding machine, electric furnaces, or other installations where the use of electricity is intermittent or subject to violent fluctuation the demand may be fixed by special determination.

15.2 DEMAND DETERMINATION.

- (a) Special Determination. Where charges specified in this Tariff are based upon the customer's demand, it is intended that such demand shall fairly represent the customer's actual demand that the Company must stand ready to serve. In the case of installations where the customer's regular use of service in the ordinary course of the customer's business is such that measurement over a thirty-minute interval does not result in a fair or equitable measure of the customer's demand, then the demand may be estimated from the known character of use and the rating data of the equipment connected, or from special tests. The intent of this provision is that the demand so determined shall fairly represent the demand that the Company must stand ready to serve.
- (b) Demand Waiver. When a customer wishes to conduct a test of equipment or process that is not part of the customer's normal operations, the customer may request that the Company waive the demand caused by that test, if that demand is the highest measured demand in the billing month. The Company will agree to such a waiver if the following conditions are met:
1. The Company's metering is of a type which allows for the determination of 30-minute demands; and
 2. The customer's request is in writing, and is received by the Company within 15 business days of the date of the commencement of the proposed test. The request must specify the nature of the test, the size of the loads to be tested and the starting and ending times; and
 3. The Company determines that the tests are not a part of the customer's normal operations; and
 4. The test will not last for more than twelve (12) consecutive hours; and
 5. The customer has not conducted a test and received a demand waiver for a test pursuant to this rule within one year of the proposed test.

Upon receipt of a request for a demand waiver, the Company will inform the customer in writing within fifteen (15) days of receipt of the customer's request whether it will grant the proposed waiver.

(C) Indicates Change

SMART METER COST RECOVERY SURCHARGE (SMCRS)

(C)

Purpose: The purpose of this surcharge is to provide for full and current cost recovery of all incremental costs associated with the Company's PaPUC-approved Smart Meter Program.

Applicability: The surcharge shall be a per-customer charge calculated to the nearest one cent, which shall be added to the fixed distribution rates for billing purposes for all commercial and industrial customers with metered service. The surcharge shall be on a cents per kWh basis for residential customers calculated to the nearest one hundredth of a cent. The rate shall be calculated separately for each customer class (residential, small commercial and industrial, and large commercial and industrial).

Billing Provisions: The surcharge shall be calculated on a quarterly basis using the following formula:

$SM(n) = (C+E+I)/R(n)$ where;

C – the incremental cost of the Company's Smart Meter Program. These costs shall include the following:

Capital and expense items relating to all plan elements, equipment and facilities, as well as incremental administrative costs and the cost of the Company's customer acceptance program and the cost upon approval by the Commission of acquiring a grant under the American Reinvestment and Recovery Act of 2009 as well as the cost of complying with the rules necessary to receive the grant. Specifically, these costs shall include, but are not limited to, the capital costs of capital expenditures for any equipment, software and facilities required to implement the Smart Meter Program, including depreciation, a return on the un-depreciated investment, and taxes, as well as operating and maintenance expenses. The rate of return to be used in calculating capital costs shall be at the Company's weighted average cost of capital. The return on equity used in developing the weighted average cost of capital shall be that allowed by the Commission in the Company's last base rate case except that in the first surcharge filing the return on equity shall be 10.5% with such return on equity adjusted through the reconciliation process to the level approved or stipulated to in the Company's next electric base rate case. The capital structure and the cost of debt and preferred stock shall be as filed in the Company's most recent quarterly earnings report. Administrative costs shall include incremental costs related to plan development and approval, cost analysis, measurement and verification, reporting, testing, upgrades, maintenance and personnel training plus any other incremental cost necessary to implement the PaPUC-approved Smart Meter Program. Costs recoverable under this surcharge shall also include cost, whether capital or expense that is stranded due to the implementation of the approved Smart Meter Program. Any reductions in operating expenses or avoided capital expenditures due to the Smart Meter Program will be deducted from the incremental costs of the Smart Meter Program to derive the net incremental cost of the Program that is recoverable. Such reductions shall include any reductions in the Company's current meter and meter reading costs.

SM(n) = smart meter cost for customer class "n" including over or under recovery and associated interest.

E – The estimated over or under recovery from the prior year. The reconciliation period shall be the 12 months ended June 30.

I – Interest on any over or under recovery balance. Interest shall be a rate of 6% and shall be calculated from the month of over or under collection to the mid-point of the recovery period.

n – rate class where: 1 = residential, 2 = small C&I, 3 = large C&I
Residential – Rates R, RH, OP
Small C&I – Rate GS
Large C&I – Rates HT, PD, EP

R – The total delivery service customers for the commercial and industrial rate class for the application period where the application period shall be as defined in the filing schedule. In the case of the residential class it shall represent delivered sales for the application period.

Filing Schedule: The estimated surcharge shall be filed 15 days prior to the start of the application period. Quarterly rates shall be effective on the first full billing cycle starting after January 1, April 1, July 1 and October 1. The quarterly rates will only be updated if the rate changes by more than 5%. The reconciliation filing shall be made on August 1 of each year. The resultant over or under recovery shall be included in the Smart Meter surcharge commencing on January 1 following the reconciliation filing.

(C) Indicates Change

Exhibit 2
PECO Energy Smart Meter Project Total Expenditures
Costs Deferred through June 30, 2010

| <u>Cost Category</u> | <u>Amount</u> |
|-------------------------------------|---------------------|
| Filing Costs | \$ 880,480 |
| Implementation Costs | \$ 3,335,494 |
| Compliance Costs | \$ 701,204 |
| Total | \$ 4,917,178 |
| Stimulus Grant (a) | \$ (2,046,814) |
| Net Smart Meter Expenditures | \$ 2,870,364 |

(a) Assumes Grant at approximately 48% of Gross Plant consistent with DOE Grant awarded to PECO (award No. DE-OE0000207). Actual grant funds awarded will be factored into the annual reconciliation of over/under cost recovery.

RECEIVED
AUG 2 2010
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit 3
PECO Energy Smart Meter Project Expenditures by Class
Costs Deferred through June 30, 2010

| <u>Cost Category</u> | <u>Res (Rates R, RH, and OP)</u> | <u>Allocation*</u> | <u>SCI (Rate GS)</u> | <u>Allocation*</u> | <u>LCI (Rates HT, PD and EP)</u> | <u>Allocation*</u> | <u>Total</u> |
|-----------------------------|--------------------------------------|--------------------|--------------------------|--------------------|--------------------------------------|--------------------|---------------------|
| Filing Costs | \$ 790,764 | 89.81% | \$ 87,975 | 9.99% | \$ 1,741 | 0.20% | \$ 880,480 |
| Implementation Costs | \$ 2,995,626 | 89.81% | \$ 333,272 | 9.99% | \$ 6,596 | 0.20% | \$ 3,335,494 |
| Compliance Costs | \$ 629,755 | 89.81% | \$ 70,062 | 9.99% | \$ 1,387 | 0.20% | \$ 701,204 |
| Total | \$ 4,416,146 | | \$ 491,309 | | \$ 9,724 | | \$ 4,917,178 |
| Stimulus Grant | \$ (1,838,255) | 89.81% | \$ (204,511) | 9.99% | \$ (4,048) | 0.20% | \$ (2,046,814) |
| Total Costs by Class | \$ 2,577,890 | | \$ 286,798 | | \$ 5,676 | | \$ 2,870,364 |
| Number of Customers* | 1,406,014 | 89.81% | 156,423 | 9.99% | 3,096 | 0.20% | 1,565,533 |

(*) Based on customer counts per PECO June 2010 Revenue, Sales and Customers Report and excluding all lighting, sales for resale and interdepartmental classes

RECEIVED
AUG 2 2010
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit 4
PECO Energy Smart Meter Project
Projected Costs for January 1, 2011 to March 31, 2011

| <u>Cost Category</u> | | <u>Amount</u> |
|--|-----------|------------------|
| Total O&M Expenditures | \$ | 5,075,986 |
| Total Revenue Requirements on Capital Expenditures (a) | \$ | 268,570 |
| Total | \$ | 5,344,556 |
| Stimulus Grant (b) | \$ | (2,565,387) |
| Net Smart Meter Projected Costs | \$ | 2,779,169 |

a) Reflects revenue requirement for initial IT capital expenditures assuming an interim rate of return on equity of 10.5% (as per the Smart Meter Plan Implementation Order), capital structure cost of debt and preferred as reflected in current rate proceeding and a 5 -year book depreciable life.

(b) Assumes Grant at approximately 48% of Gross Plant consistent with DOE Grant awarded to PECO (award No. DE-OE0000207). Actual grant funds awarded will be factored into the annual reconciliation of over/under cost recovery.

RECEIVED
AUG 2 2010
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit 5
PECO Energy Smart Meter Project
Projected Costs for January 1, 2011 to March 31, 2011

| <u>Cost Period</u> | <u>Res (Rates R, RH, and OP)</u> | <u>Allocation</u> | <u>Small C&I (Rate GS)</u> | <u>Allocation</u> | <u>Large C&I (Rates HT, PD and EP)</u> | <u>Allocation</u> | <u>Total</u> |
|---|--------------------------------------|-------------------|------------------------------------|-------------------|--|-------------------|---------------------|
| Jan-11 | \$ 1,600,519 | 89.81% | \$ 178,062 | 9.99% | \$ 3,524 | 0.20% | \$ 1,782,105 |
| Feb-11 | \$ 1,599,992 | 89.81% | \$ 178,004 | 9.99% | \$ 3,523 | 0.20% | \$ 1,781,519 |
| Mar-11 | \$ 1,599,465 | 89.81% | \$ 177,945 | 9.99% | \$ 3,522 | 0.20% | \$ 1,780,932 |
| Total | \$ 4,799,976 | | \$ 534,011 | | \$ 10,569 | | \$ 5,344,556 |
| Less Funds allocated from Stimulus Grant | \$ (2,303,988) | 89.81% | \$ (256,325) | 9.99% | \$ (5,073) | 0.20% | \$ (2,565,387) |
| Total Costs by Class | \$ 2,495,987 | | \$ 277,686 | | \$ 5,496 | | \$ 2,779,169 |
| Number of Customers* | 1,406,014 | 89.81% | 156,423 | 9.99% | 3,096 | 0.20% | 1,565,533 |

(*) Based on customer counts per PECO June 2010 Revenue, Sales and Customers Report and excluding all lighting, sales for resale and interdepartmental classes

RECEIVED

AUG 2 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit 6
PECO Energy Smart Meter Project
Monthly Cost Recovery Charge Calculation For Residential (Rates R, RH and OP)
January 1, 2011 to March 31, 2011

| $MC(n)=(C+E+I)/R(n)$ | | | | |
|----------------------|--|-------------------------|---------------------------|------------------------------|
| | | <u>Total Amount</u> | <u>Monthly Amount</u> | <u>Monthly ¢ per kWh</u> |
| (1) | C = Projected Recoverable Smart Meter Costs | \$ 2,495,987 | \$ 831,996 | 0.075 |
| (2) | E = Experienced & Estimated Net Over/(Under) Over/(Under) | \$ 2,577,890 | \$ 214,824 | 0.019 |
| (3) | I = Interest (c) | \$ - | \$ - | - |
| (4) | Net Recoverable (C+E+I) | \$ 5,073,877 | \$ 1,046,820 | 0.095 |
| (5) | R = Average Annual Sales in MWh (a) | 13,270,000 | 1,105,833 | |
| (6) | Monthly SMCRS in ¢/kWh (4) / (5) | | 0.095 | |
| (7) | Adjusted for GRT in ¢/kWh (b): (7) * 1 / (1 - .059) | | 0.101 | |

(a) Per PECO 2011 Electric Sales Forecast
(b) GRT is 5.9% for 2011

RECEIVED
AUG 2 2010
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit 7
PECO Energy Smart Meter Project
Monthly Cost Recovery Charge Calculation For Small Commercial and Industrial (Rate GS)
January 1, 2011 to March 31, 2011

| $MC(n)=(C+E+I)/R(n)$ | | | | |
|----------------------|--|-------------------------|---------------------------|------------------------------------|
| | | <u>Total Amount</u> | <u>Monthly Amount</u> | <u>Monthly \$ Per Customer</u> |
| (1) | C = Projected Recoverable Smart Meter Costs | \$ 277,686 | \$ 92,562 | \$ 0.59 |
| (2) | E = Experienced & Estimated Net Over/(Under) Over/(Under) | \$ 286,798 | \$ 23,900 | \$ 0.15 |
| (3) | I = Interest | \$ - | \$ - | \$ - |
| (4) | Net Recoverable (C+E+I) | \$ 564,483 | \$ 116,462 | \$ 0.74 |
| (5) | R = Average Residential Customer Count (a) | | 156,423 | |
| (6) | Monthly SMCRS in \$/customer (4) / (5) | | \$ 0.74 | |
| (7) | Adjusted for GRT in \$/customer (b): (7) * 1 / (1 - .059) | | \$ 0.79 | |

(a) Based on customer counts per PECO June 2010 Revenue, Sales and Customers Report and excluding all lighting, sales for resale and interdepartmental classes
(b) GRT is 5.9% for 2011

RECEIVED
AUG 2 2010
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit 8
PECO Energy Smart Meter Project
Monthly Cost Recovery Charge Calculation For Large Commercial and Industrial (Rates HT, PD and EP)
January 1, 2011 to March 31, 2011

| $MC(n)=(C+E+I)/R(n)$ | | | | |
|----------------------|--|-------------------------|---------------------------|------------------------------------|
| | | <u>Total Amount</u> | <u>Monthly Amount</u> | <u>Monthly \$ Per Customer</u> |
| (1) | C = Projected Recoverable Smart Meter Costs | \$ 5,496 | \$ 1,832 | \$ 0.59 |
| (2) | E = Experienced & Estimated Net Over/(Under) Over/(Under) | \$ 5,676 | \$ 473 | \$ 0.15 |
| (3) | I = Interest (c) | \$ - | \$ - | \$ - |
| (4) | Net Recoverable (C+E+I) | \$ 11,173 | \$ 2,305 | \$ 0.74 |
| (5) | R = Average Residential Customer Count (a) | | 3,096 | |
| (6) | Monthly SMCRS \$/customer (4) / (5) | | \$ 0.74 | |
| (7) | Adjusted for GRT in \$/customer (b): (7) * 1 / (1 - .059) | | \$ 0.79 | |

(a) Based on customer counts per PECO June 2010 Revenue, Sales and Customers Report and excluding all lighting, sales for resale and interdepartmental classes
(b) GRT is 5.9% for 2011

RECEIVED

AUG 2 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Exhibit 9
PECO Energy Smart Meter Project
Proposed Rate Changes to Implement Smart Meter Surcharge

| <u>Rate</u> | | <u>Estimated Monthly Rate Change</u> |
|-------------|----|--|
| R | | 0.10 ¢/kWh |
| RH | | 0.10 ¢/kWh |
| OP | | 0.10 ¢/kWh |
| GS | \$ | 0.79 /Customer |
| HT | \$ | 0.79 /Customer |
| PD | \$ | 0.79 /Customer |
| EP | \$ | 0.79 /Customer |

RECEIVED
AUG 2 2010
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Certificate of Service

I hereby certify that I have this day served the foregoing document on the following in the matter of PECO Energy Company's Smart Meter Filing by first class mail:

Christopher A. Lewis
Christopher R. Sharp
Melanie J. Tambolas
Blank Rome LLP
One Logan Square
130 N. 18th Street
Philadelphia, PA 19103-6998

Harry Geller
John C. Gerhard
Julie George
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101-1414

Scott Perry
Aspassia V. Staevska
Assistant Counsel
Commonwealth of Pennsylvania
Department of Environmental
Protection
RCSOB – 9th Floor
400 Market Street
Harrisburg, PA 17101-2301

Kenneth T. Kristl
Widener Environmental and Natural
Resources
Law Clinic
4601 Concord Pike
Wilmington, DE 19803

Thomas P. Gadsden
Anthony C. DeCusatis
Catherine G. Vasudevan
Morgan Lewis & Bockius
1701 Market Street
Philadelphia, PA 19103-2921

RECEIVED

AUG 2 2010

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU



Richard G. Webster, Jr.
Director
PECO Energy
Rates & Regulatory Affairs
2301 Market Street S15-2
Philadelphia, PA 19103
August 2, 2010

From: Origin ID: REDA (215) 841-5773
Mike Brennan
PECO
2301 Market St
S15-2
Philadelphia, PA 19103



Ship Date: 02AUG10
ActWgt: 3.0 LB
CAD: 9814576/NET3060

Delivery Address Bar Code

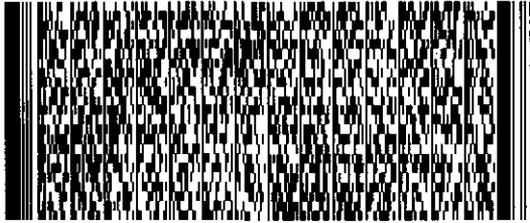


Ref #
Invoice #
PO #
Dept #

SHIP TO: (717) 772-7777 BILL SENDER
Rosemary Chiavetta
Pennsylvania Public Utility Commiss
2nd Floor North, CKB
400 North St.
Harrisburg, PA 17120

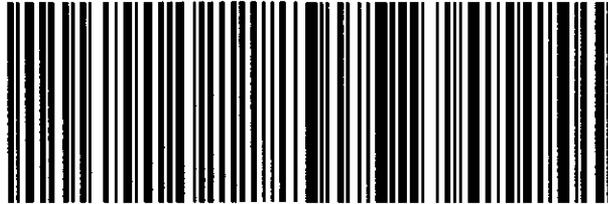
TUE - 03 AUG A1
STANDARD OVERNIGHT

TRK# 7937 8253 6880
0201



17120
PA-US
MDT

ZN MDTA



589C3REAR/A24

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.