June 16, 2011

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120


Dear Secretary Chiavetta:

PECO Energy is permitted to file quarterly adjustments to the Smart Meter Cost Recovery Surcharge Mechanism, which are allowed to go into effect on 15 days notice. As provided for in the Commission's Final Order at Docket No. M-2009-2123944 the rate will only be updated if the rate changes by more than 5%. PECO has recalculated the rate and determined that it would change rates by less than 5%. Therefore, the Company will not be changing its Smart Meter Cost Recovery Surcharge on July 1, 2011.

This letter transmits for filing with the Commission eight copies of PECO Energy’s second quarterly update including:

Exhibit 1 – Smart Meter Projected Costs for July 1, 2011 to September 30, 2011

Please direct any questions regarding the above to Richard A. Schlesinger at 215-841-5771.

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

Sincerely,

[Signature]

Copies to:
C. Walker-Davis, Director, Office of Special Assistants
R. F. Wilson, Director, Bureau of Fixed Utility Services
M. C. Lesney, Director, Bureau of Audits
J. E. Simms, Director, Office of Trial Staff
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick
Exhibit 1
PECO Energy Smart Meter Project
Projected Costs for
July 1, 2011 to September 30, 2011

Smart Meter Cost Recovery ($M)

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deferred Costs (through June 2010)</td>
<td>$0.24</td>
<td>$0.24</td>
<td>$0.24</td>
</tr>
<tr>
<td>2</td>
<td>2011 O&amp;M to be Recovered</td>
<td>0.68</td>
<td>0.53</td>
<td>0.53</td>
</tr>
<tr>
<td>3</td>
<td>2011 Depreciation</td>
<td>0.54</td>
<td>0.54</td>
<td>0.54</td>
</tr>
<tr>
<td>4</td>
<td>2011 Capital Revenue Requirement</td>
<td>0.42</td>
<td>0.42</td>
<td>0.42</td>
</tr>
<tr>
<td>5</td>
<td>Total Revenue Requirement</td>
<td>$1.88</td>
<td>$1.73</td>
<td>$1.73</td>
</tr>
<tr>
<td>6</td>
<td>Total Revenue Requirement (adj. for GRT)</td>
<td>$1.99</td>
<td>$1.84</td>
<td>$1.83</td>
</tr>
<tr>
<td>7</td>
<td>Quarterly Costs to be Recovered ($M)</td>
<td>$5.67</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Quarterly Cost Recovery by class:

<table>
<thead>
<tr>
<th></th>
<th>Res</th>
<th>SCI</th>
<th>LCI</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>$5.09</td>
<td>$0.56</td>
<td>$0.01</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Estimated Monthly Rate:

<table>
<thead>
<tr>
<th></th>
<th>Res (c/kWh)</th>
<th>SCI ($/customer)</th>
<th>LCI ($/customer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td></td>
<td>0.13</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>SCI</td>
<td>$1.20</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>LCI</td>
<td>$1.20</td>
<td></td>
</tr>
</tbody>
</table>
### Exhibit 1

**PECO Energy Smart Meter Project**

**Quarterly Surcharge Comparison**

<table>
<thead>
<tr>
<th>Line</th>
<th>Estimated Monthly Rate:</th>
<th>In effect 1Q 2011</th>
<th>In effect 2Q 2011</th>
<th>Forecasted 3Q 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Res (¢/kWh)</td>
<td>0.10</td>
<td>0.10</td>
<td>0.13</td>
</tr>
<tr>
<td>2</td>
<td>SCI ($/customer)</td>
<td>$ 0.79</td>
<td>$ 0.79</td>
<td>$ 1.20</td>
</tr>
<tr>
<td>3</td>
<td>LCI ($/customer)</td>
<td>$ 0.79</td>
<td>$ 0.79</td>
<td>$ 1.20</td>
</tr>
</tbody>
</table>

#### Average Customer monthly bill with surcharge:

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>1Q 2011</th>
<th>2Q 2011</th>
<th>3Q 2011</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Res (500 kWh usage)</td>
<td>$ 86.63</td>
<td>$ 87.03</td>
<td>$ 87.18</td>
<td>0.18%</td>
</tr>
<tr>
<td>5</td>
<td>SCI (10,000 kWh usage)</td>
<td>$ 1,051.56</td>
<td>$ 1,157.61</td>
<td>$ 1,158.02</td>
<td>0.04%</td>
</tr>
<tr>
<td>6</td>
<td>LCI (200,000 kWh usage)</td>
<td>$ 21,849.33</td>
<td>$ 20,324.32</td>
<td>$ 20,324.73</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
From: DESHALL HILL
Company: PECO ENERGY
Address: 2301 MARKET ST # 615-2
City: PHILADELPHIA

Date: 6/16/11
FedEx Tracking Number: 864176767606

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Company: PA PUBLIC UTILITY COMMISSION
Address: COMMONWEALTH KEYSTONE BUILDING
City: HARRISBURG

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FedEx Standard Overnight
FedEx 2Day
FedEx Express Saver
FedEx First Class
FedEx Express
FedEx Express Saver

Express Freight Service

FedEx 2Day Freight
FedEx Standard Freight
FedEx 2Day Freight
FedEx Standard Freight
FedEx First Class Freight
FedEx Standard Freight

Packaging

FedEx Envelope
FedEx Pak
FedEx Box
FedEx Tube

Special Handling

No
Yes

Payment

Bill to:

Recipient: ROSEMARY CHIAVETTA
Company: PA PUBLIC UTILITY COMMISSION
Address: COMMONWEALTH KEYSTONE BUILDING
City: HARRISBURG

Residential Delivery Signature Options

No Signature
Direct Signature
Indirect Signature

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