



An Exelon Company

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MAR 14 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

March 14, 2012

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

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

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 the rates by less than 5%. Therefore, the Company will not be changing its Smart Meter Cost Recovery Surcharge on April 1, 2012.

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

Exhibit 1 – Smart Meter Projected Costs for April 1, 2012 to June 30, 2012.

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,

Copies to: C. Walker-Davis, Director, Office of Special Assistants
P. Diskin, Director, Bureau of Technical Utility Services
M. C. Lesney, Director, Bureau of Audits
J. E. Simms, Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick

Exhibit 1
PECO Energy Smart Meter Project
Projected Costs for April 1, 2012 to June 30, 2012

Smart Meter Cost Recovery (\$M)

Line	Forecast 2Q 2012			
	Apr	May	Jun	
1	Period 2 (7/1/10 to 6/30/11) Undercollection	\$ 0.18	\$ 0.18	\$ 0.18
2	2012 O&M to be Recovered	1.00	1.13	1.09
3	2012 Depreciation	0.77	0.79	0.82
4	2012 Capital Revenue Requirement	0.75	0.80	0.84
5	2012 Benefits/Avoided Costs	(0.02)	(0.03)	(0.06)
6	Total Revenue Requirement	\$ 2.67	\$ 2.86	\$ 2.86
7	Total Revenue Requirement (adj. for GRT)	\$ 2.83	\$ 3.03	\$ 3.03
8	Quarterly Revenue Requirement (\$M)	\$ 8.89		
Quarterly Revenue Requirement by class:				
9	Res	\$ 8.00		
10	SCI	\$ 0.88		
11	LCI	\$ 0.02		
Estimated Monthly Rate:				
12	Res (¢/kWh)	0.28		
13	SCI (\$/customer)	\$ 1.88		
14	LCI (\$/customer)	\$ 1.88		

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Exhibit 1
PECO Energy Smart Meter Project
Quarterly Surcharge Comparison

<u>Line</u>		In effect	Forecasted	
	Estimated Monthly Rate:	1Q 2012	2Q 2012	
1	Res (¢/kWh)	0.28	0.28	
2	SCI (\$/customer)	\$ 2.15	\$ 1.88	
3	LCI (\$/customer)	\$ 2.15	\$ 1.88	
				%
	Average Customer monthly bill with surcharge:			change
4	Res (500 kWh usage)	\$ 86.78	\$ 86.81	0.03%
5	SCI (10,000 kWh usage)	\$ 1,194.01	\$ 1,193.74	-0.02%
6	LCI (200,000 kWh usage)	\$ 21,216.00	\$ 21,215.73	0.00%

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 Anna Migliaccio
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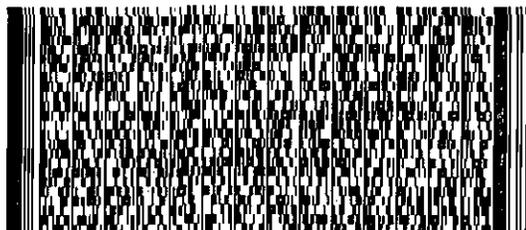
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Pa Public Utility Commission
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