June 15, 2012

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-2009-21239442 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, 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 July 1, 2012 to September 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,

[Signature]

Copies to:
C. Walker-Davis, Director, Office of Special Assistants
P. T. 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 July 1, 2012 to September 30, 2012

Smart Meter Cost Recovery (SM)

<table>
<thead>
<tr>
<th>Line</th>
<th>Forecast 3Q 2012</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Period 2 (7/1/10 to 6/30/11) Undercollection</td>
<td>$0.18</td>
<td>$0.18</td>
<td>$0.18</td>
</tr>
<tr>
<td>2.</td>
<td>2012 O&amp;M to be Recovered</td>
<td>1.52</td>
<td>1.55</td>
<td>1.53</td>
</tr>
<tr>
<td>3.</td>
<td>2012 Depreciation</td>
<td>0.80</td>
<td>0.86</td>
<td>0.93</td>
</tr>
<tr>
<td>4.</td>
<td>2012 Capital Revenue Requirement</td>
<td>0.60</td>
<td>0.65</td>
<td>0.71</td>
</tr>
<tr>
<td>5.</td>
<td>2012 Benefits/Avoided Costs</td>
<td>(0.08)</td>
<td>(0.10)</td>
<td>(0.12)</td>
</tr>
<tr>
<td>6.</td>
<td>Total Revenue Requirement</td>
<td>$3.02</td>
<td>$3.15</td>
<td>$3.23</td>
</tr>
<tr>
<td>7.</td>
<td>Total Revenue Requirement (adj. for GRT)</td>
<td>$3.19</td>
<td>$3.32</td>
<td>$3.41</td>
</tr>
<tr>
<td>8.</td>
<td>Quarterly Revenue Requirement (SM)</td>
<td>$9.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Quarterly Revenue Requirement by class:</td>
<td>Res $8.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>SCI $0.98</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>LCI $0.02</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Estimated Monthly Rate:

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.</td>
<td>Res (c/kWh)</td>
<td>0.24</td>
</tr>
<tr>
<td>13.</td>
<td>SCI ($/customer)</td>
<td>$2.13</td>
</tr>
<tr>
<td>14.</td>
<td>LCI ($/customer)</td>
<td>$2.13</td>
</tr>
</tbody>
</table>
### Exhibit 1
PECO Energy Smart Meter Project  
Projected Costs for July 1, 2012 to September 30, 2012

<table>
<thead>
<tr>
<th>Line</th>
<th>Estimated Monthly Rate:</th>
<th>In effect 1Q 2012</th>
<th>In effect 2Q 2012</th>
<th>In effect 3Q 2012</th>
<th>Forecasted 3Q 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Res (c/kWh)</td>
<td>0.28</td>
<td>0.28</td>
<td>0.24</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>SCI ($/customer)</td>
<td>$ 2.15</td>
<td>$ 2.15</td>
<td>$ 2.13</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>LCI ($/customer)</td>
<td>$ 2.15</td>
<td>$ 2.15</td>
<td>$ 2.13</td>
<td></td>
</tr>
</tbody>
</table>

**Average Customer monthly bill with surcharge:**

<table>
<thead>
<tr>
<th>Line</th>
<th>Line Description</th>
<th>1Q 2012</th>
<th>2Q 2012</th>
<th>3Q 2012</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Res (500 kWh usage)</td>
<td>$ 86.78</td>
<td>$ 87.45</td>
<td>$ 87.27</td>
<td>-0.21%</td>
</tr>
<tr>
<td>5</td>
<td>SCI (10,000 kWh usage)</td>
<td>$ 1,194.01</td>
<td>$ 1,232.99</td>
<td>$ 1,232.96</td>
<td>0.00%</td>
</tr>
<tr>
<td>6</td>
<td>LCI (200,000 kWh usage)</td>
<td>$ 21,216.00</td>
<td>$ 21,316.01</td>
<td>$ 21,315.99</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
From: (215) 841-5776  
Anna Migliaccio  
Exelon  
2301 Market Street S15-2  
Philadelphia, PA 19103

Origin ID: REDA
J12101112190225

SHIP TO: (717) 772-7777 BILL SENDER
Rosemary Chiavetta, Secretary  
Pa Public Utility Commission  
400 NORTH ST FL 2  
COMMONWEALTH KEYSTONE BLDG  
HARRISBURG, PA 17120

Ship Date: 15JUN12  
ActWgt: 1.0 LB  
CAD: 9876187/NFET3250

Delivery Address Bar Code

Ref#  
Invoice#  
PN#  
Dept#

MON - 18 JUN A1  
STANDARD OVERNIGHT

TRK#: 7936 8465 5156

SH MDTA

17120  
PA-US  
MDT

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.