



An Exelon Company

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SEP 12 2012

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

September 12, 2012

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Post Office Box 3265  
Harrisburg, Pa 17105

**Subject:** Supplemental Information to PECO's Smart Meter Cost Recovery  
Surcharge Mechanisms for Rates that were Effective January 1, 2011 at  
Docket No. M-2009-2123944 and January 1, 2012 at Docket No.  
M-2011-2279162

Dear Secretary Chiavetta:

After discussion with the Bureau of Audits on August 31, 2012, PECO Energy Company hereby submits Supplemental Information to PECO's Smart Meter Cost Recovery Surcharge Mechanisms that were effective January 1, 2011 and January 1, 2012. The attached exhibits reflect additional details on the allocation of C-factor and E-factor costs by rate class to align with PECO's accounting treatment.

Note, there is no change to the rates that were in effect for 2011 and 2012 as a result of submitting this supplemental information.

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,

A handwritten signature in black ink, appearing to read "R. Webster".

cc: 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

**PECO Energy Smart Meter Project**  
**Supplemental Information**  
**Monthly Cost Recovery Charge Calculation for Residential (Rates R, RH and OP)**  
**For the Period January 1, 2011 to March 31, 2011**

AS ORIGINALLY FILED 8/2/10

		MC(n)=(C+E+I)/R(n)		
		Total Amount	Monthly Amount	Monthly ¢ per kWh
(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	\$ -	\$ -	-
(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

Supplemental Information

SMCRS 1: Rates R, RH, OP		Amount	Monthly Amount	Monthly \$/kWh
(1)	C <sup>1</sup> = Projected Recoverable Smart Meter Costs (a)	\$ 2,495,987	\$ 831,996	0.00075
(2)	C <sup>2</sup> = Deferred Recoverable Smart Meter Costs (b)	\$ 2,577,890	\$ 214,824	0.00019
(3)	E = Experienced & Estimated Net Over/(Under) Over/(Under)	\$ -	\$ -	-
(4)	I = Interest	\$ -	\$ -	-
(5)	Net Recoverable (C+E+I)	\$ 5,073,877	\$ 1,046,820	0.00095
(6)	R = Projected Sales (kWh) for Computation Period	13,270,000,000	1,105,833,333	
(7)	T = Pennsylvania Gross Receipts Tax Rate		5.9%	
(8)	SMCRS = [(C+E+I)/R]/(1-T)		\$ 0.0010	

(a) Reflects projected costs for the period January 1, 2011 through March 31, 2011.  
(b) Reflects deferred costs incurred through June 30, 2010 which was prior to the SMCRS being established.

PA PUBLIC UTILITY COMMISSION  
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**PECO Energy Smart Meter Project  
Supplemental Information  
Monthly Cost Recovery Charge Calculation for Small Commercial and Industrial (Rate GS)  
For the Period January 1, 2011 to March 31, 2011**

AS ORIGINALLY FILED 8/2/10

$MC(n)=(C+E+I)/R(n)$				
		Total Amount	Monthly Amount	Monthly \$ Per Customer
(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

**Supplemental Information**

<b>SMCRS 2: Rate GS</b>				
		Total Amount	Monthly Amount	Monthly \$ Per Customer
(1)	C <sup>1</sup> = Projected Recoverable Smart Meter Costs (a)	\$ 277,686	\$ 92,562	\$ 0.59
(2)	C <sup>2</sup> = Deferred Recoverable Smart Meter Costs (b)	\$ 286,798	\$ 23,900	\$ 0.15
(3)	E = Experienced & Estimated Net Over/(Under) Over/(Under)	\$ -	\$ -	\$ -
(4)	I = Interest	\$ -	\$ -	\$ -
(5)	Net Recoverable (C+E+I)	\$ 564,483	\$ 116,462	\$ 0.74
(6)	R = Annual Projected Customers		156,423	
(7)	T = Pennsylvania Gross Receipts Tax Rate		5.9%	
(8)	<b>SMCRS = [(C+E+I)/R]/(1-T)</b>		<b>\$ 0.79</b>	

(a) Reflects projected costs for the period January 1, 2011 through March 31, 2011.  
(b) Reflects deferred costs incurred through June 30, 2010 which was prior to the SMCRS being established.

**PECO Energy Smart Meter Project  
Supplemental Information  
Monthly Cost Recovery Charge Calculation for Large Commercial and Industrial (Rates HT, PD and EP)  
For the Period January 1, 2011 to March 31, 2011**

AS ORIGINALLY FILED 8/2/10

$MC(n)=(C+E+I)/R(n)$				
		Total Amount	Monthly Amount	Monthly \$ Per Customer
(1)	C = Projected Recoverable Smart Meter Costs	\$ 5,496	\$ 1,832	\$ 0.59
(2)	E = Experienced & Estimated Net Over/(Under)	\$ 5,676	\$ 473	\$ 0.15
(3)	I = Interest	\$ -	\$ -	\$ -
(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

**Supplemental Information**

<b>SMCRS 3: Rates HT, PD, EP</b>				
		Total Amount	Monthly Amount	Monthly \$ Per Customer
(1)	C <sup>1</sup> = Projected Recoverable Smart Meter Costs (a)	\$ 5,496	\$ 1,832	\$ 0.59
(2)	C <sup>2</sup> = Deferred Recoverable Smart Meter Costs (b)	\$ 5,676	\$ 473	\$ 0.15
(3)	E = Experienced & Estimated Net Over/(Under)	\$ -	\$ -	\$ -
(4)	I = Interest	\$ -	\$ -	\$ -
(5)	Net Recoverable (C+E+I)	\$ 11,173	\$ 2,305	\$ 0.74
(6)	R = Annual Projected Customers		3,096	
(7)	T = Pennsylvania Gross Receipts Tax Rate		5.9%	
(8)	<b>SMCRS = [(C+E+I)/R]/(1-T)</b>		<b>\$ 0.79</b>	

(a) Reflects projected costs for the period January 1, 2011 through March 31, 2011.  
(b) Reflects deferred costs incurred through June 30, 2010 which was prior to the SMCRS being established.

PECO Energy Smart Meter Project  
Supplemental Information  
Monthly Cost Recovery Charge Calculation for Residential (Rates R, RH and OP)  
For the Period January 1, 2012 to December 31, 2012

AS ORIGINALLY FILED 12/15/11

SMCRS 1: Rates R, RH, OP		
	Amount	\$/kWh
(1) C = Projected Recoverable Smart Meter Program Costs	\$ 32,773,211	\$ 0.0025
(2) E = Experienced & Estimated Net (Over)/Under (Over)/Under	\$ 2,083,322	\$ 0.0002
(3) I = Interest	\$ (102,579)	\$ (0.0000)
(4) Net Recoverable (C + E + I)	\$ 34,753,953	\$ 0.0026
(5) R = Projected Sales (kWh) for Computation Period	13,227,913,679	
(6) T = Pennsylvania Gross Receipts Tax Rate	5.9%	
(7) <b>SMCRS = [(C+E+I)/R]/(1-T)</b>	<b>\$ 0.0028</b>	

Supplemental Information

SMCRS 1: Rates R, RH, OP		
	Amount	\$/kWh
(1) C <sup>1</sup> = Projected Recoverable Smart Meter Costs (a)	\$ 32,773,211	\$ 0.0025
(2) C <sup>2</sup> = Deferred Recoverable Smart Meter Costs (b)	\$ 3,370,431	\$ 0.0003
(3) E = Experienced & Estimated Net (Over)/Under (Over)/Under	\$ (1,286,436)	\$ (0.0001)
(4) I = Interest	\$ (102,579)	\$ (0.0000)
(5) Net Recoverable (C + E + I)	\$ 34,754,627	\$ 0.0026
(6) R = Projected Sales (kWh) for Computation Period	13,227,913,679	
(7) T = Pennsylvania Gross Receipts Tax Rate	5.9%	
(8) <b>SMCRS = [(C+E+I)/R]/(1-T)</b>	<b>\$ 0.0028</b>	

(a) Reflects projected costs for the period January 1, 2012 through December 31, 2012.  
(b) Reflects deferred costs incurred from July 1, 2010 through December 31, 2010 which was prior to the SMCRS being established.

**PECO Energy Smart Meter Project  
Supplemental Information  
Monthly Cost Recovery Charge Calculation for Small Commercial and Industrial (Rate GS)  
For the Period January 1, 2012 to December 31, 2012**

AS ORIGINALLY FILED 12/15/11

<b>SMCRS 2: Rate GS</b>		
	<u>Amount</u>	<u>\$/Customer</u>
(1) C = Projected Recoverable Smart Meter Program Costs	\$ 3,439,734	\$ 1.93
(2) E = Experienced & Estimated Net (Over)/Under (Over)/Under	\$ 189,282	\$ 0.11
(3) I = Interest	\$ (12,522)	\$ (0.01)
(4) Net Recoverable (C + E + I)	\$ 3,616,494	\$ 2.03
(5) R = Annual Projected Customers	1,780,224	
(6) T = Pennsylvania Gross Receipts Tax Rate	5.9%	
(7) <b>SMCRS = [(C+E+I)/R]/(1-T)</b>	<b>\$ 2.16</b>	

**Supplemental Information**

<b>SMCRS 2: Rate GS</b>		
	<u>Amount</u>	<u>\$/Customer</u>
(1) C <sup>1</sup> = Projected Recoverable Smart Meter Costs (a)	\$ 3,439,734	\$ 1.93
(2) C <sup>2</sup> = Deferred Recoverable Smart Meter Costs (b)	\$ 304,905	\$ 0.17
(3) E = Experienced & Estimated Net (Over)/Under (Over)/Under	\$ (116,377)	\$ (0.07)
(4) I = Interest	\$ (12,522)	\$ (0.01)
(5) Net Recoverable (C + E + I)	\$ 3,615,740	\$ 2.03
(6) R = Annual Projected Customers	1,780,224	
(7) T = Pennsylvania Gross Receipts Tax Rate	5.9%	
(8) <b>SMCRS = [(C+E+I)/R]/(1-T)</b>	<b>\$ 2.16</b>	

(a) Reflects projected costs for the period January 1, 2012 through December 31, 2012.  
(b) Reflects deferred costs incurred from July 1, 2010 through December 31, 2010 which was prior to the SMCRS being established.

**PECO Energy Smart Meter Project  
Supplemental Information  
Monthly Cost Recovery Charge Calculation for Large Commercial and Industrial (Rate HT, PD and EP)  
For the Period January 1, 2012 to December 31, 2012**

AS ORIGINALLY FILED 12/15/11

<b>SMCRS 3: Rates HT, PD, EP</b>		<u>Amount</u>	<u>\$/Customer</u>
(1)	C = Projected Recoverable Smart Meter Program Costs	\$ 72,202	\$ 1.93
(2)	E = Experienced & Estimated Net (Over)/Under (Over)/Under	\$ 3,510	\$ 0.09
(3)	I = Interest	\$ (230)	\$ (0.01)
(4)	Net Recoverable (C + E + I)	\$ 75,482	\$ 2.02
(5)	R = Annual Projected Customers	37,368	
(6)	T = Pennsylvania Gross Receipts Tax Rate	5.9%	
(7)	<b>SMCRS = [(C+E+I)/R]/(1-T)</b>	<b>\$ 2.15</b>	

**Supplemental Information**

<b>SMCRS 3: Rates HT, PD, EP</b>		<u>Amount</u>	<u>\$/Customer</u>
(1)	C <sup>1</sup> = Projected Recoverable Smart Meter Costs (a)	\$ 72,202	\$ 1.93
(2)	C <sup>2</sup> = Deferred Recoverable Smart Meter Costs (b)	\$ 5,807	\$ 0.16
(3)	E = Experienced & Estimated Net (Over)/Under (Over)/Under	\$ (2,217)	\$ (0.06)
(4)	I = Interest	\$ (230)	\$ (0.01)
(5)	Net Recoverable (C + E + I)	\$ 75,563	\$ 2.02
(6)	R = Annual Projected Customers	37,368	
(7)	T = Pennsylvania Gross Receipts Tax Rate	5.9%	
(8)	<b>SMCRS = [(C+E+I)/R]/(1-T)</b>	<b>\$ 2.15</b>	

(a) Reflects projected costs for the period January 1, 2012 through December 31, 2012.  
(b) Reflects deferred costs incurred from July 1, 2010 through December 31, 2010 which was prior to the SMCRS being established.

From: (215) 841-5776  
Anna Migliaccio  
Exelon  
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**Pa Public Utility Commission**  
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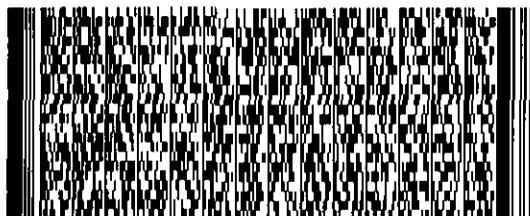
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