

Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Tel: 215.963.5000
Fax: 215.963.5001
www.morganlewis.com

Morgan Lewis
C O U N S E L O R S A T L A W

Thomas P. Gadsden
Partner
215.963.5234
tgadsden@MorganLewis.com

RECEIVED

April 15, 2013

APR 15 2013

VIA FEDERAL EXPRESS

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

Re: Petition of PECO Energy Company for Approval of Its Default Service Program
Docket No. P-2012-2283641

Dear Secretary Chiavetta:

Enclosed for filing is **PECO Energy Company's Third Revised Default Service Plan Compliance Filing** (the "Plan") in the above-captioned proceeding.

As indicated on the attached Certificate of Service, copies of the Plan are being served on the Administrative Law Judge and all parties of record.

Sincerely,



Thomas P. Gadsden

TPG/tp
Enclosures

c: Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY COMPANY :
FOR APPROVAL OF ITS DEFAULT : DOCKET NO. P-2012-2283641
SERVICE PROGRAM :**

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**THIRD REVISED DEFAULT SERVICE PLAN
COMPLIANCE FILING**

APR 15 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

I. INTRODUCTION AND OVERVIEW

1. On October 12, 2012, the Pennsylvania Public Utility Commission (the "Commission") issued an Opinion and Order (the "October 12 Order") approving the Default Service Program of PECO Energy Company ("PECO" or the "Company") for the period from June 1, 2013 to May 31, 2015, with several revisions. The October 12 Order directed PECO to file a revised plan (the "First Revised Plan") reflecting the changes directed by the Commission within sixty days (December 11, 2012) and to also submit proposals, in collaboration with electric generation suppliers ("EGSs") and other interested parties, addressing several Retail Market Enhancement Program ("RME Program") issues.¹

2. On December 11, 2012, PECO submitted the First Revised Plan consistent with the October 12 Order. Subsequently, several parties submitted comments and reply comments for consideration by the Commission.

¹ On November 21, 2012, the Commission issued an Opinion and Order clarifying certain items regarding the October 12 Order, including: (1) permitting PECO's default service procurement to proceed; (2) allowing proposals regarding the EGS Applications and Form Agreements to be filed along with the Revised Plan; (3) clarifying that parties should consider the possibility that customers as well as EGSs may be responsible for some RME Program costs; and (4) clarifying that EGSs must file the terms and conditions for their eight-month Opt-In Program product at least forty-five days before the offers for that eight-month product are made to customers.

3. On February 14, 2013, the Commission issued an Opinion and Order (the “February 14 DSP Order”) approving the First Revised Plan, with several revisions regarding the RME Programs. The February 14 DSP Order directed PECO to file a revised plan (the “Second Revised Plan”) reflecting changes directed by the Commission within sixty days (April 15, 2013).

4. Also on February 14, 2013, the Commission issued an Opinion and Order (the “February 14 Amendment Order”) approving an amendment of the October 12 Order requested by the Retail Energy Supply Association (“RESA”) to include small commercial customers in the Company’s Standard Offer Program and New/Moving Customer Referral Program. The February 14 Amendment Order directed PECO to: (1) file, within thirty days (March 18, 2013), a tariff supplement to extend the *New/Moving Customer Referral Program* to small commercial customers, to take effect no later than sixty days from the Order (April 15, 2013); and (2) include small commercial customers in the Standard Offer Program and file, sixty days prior to its effective date, a tariff supplement to implement that change. The Commission also provided additional time for PECO to make the Standard Offer Program available to small commercial customers. *See* February 14 Amendment Order, pp. 15-16 (providing that the Standard Offer Program should be extended to small commercial customers within six months, or August 14, 2013).

5. On February 28, 2013, PECO submitted the Second Revised Plan, which reflected all of the revisions set forth and made final by the February 14 DSP Order and February 14 Amendment Order, except for the inclusion of small commercial customers in the Standard Offer Program. The Office of Consumer Advocate (the “OCA”) and the Office of Small Business

Advocate (the "OSBA") submitted additional comments, and PECO filed comments in reply to the OCA and OSBA. Approval of the Second Revised Plan is pending before the Commission.

6. On March 14, 2013, the Commission issued a Tentative Order announcing its proposed plan to suspend implementation of Retail Opt-In ("ROI") Programs so that the Standard Offer Programs offered by PECO and other large electric distribution companies ("EDCs") could move forward without potential customer confusion. The Commission also directed PECO and other EDCs to immediately suspend the implementation of their ROI Programs.

7. On April 4, 2013, the Commission issued a Final Order (the "ROI Suspension Order") directing PECO and other large EDCs to postpone implementation of their ROI Programs and, to the extent necessary, submit conforming revisions to their default service plans within thirty days of the entry of the Order (May 4, 2013).

8. PECO's Third Revised Plan includes revisions to address the ROI Suspension Order and PECO's remaining obligations under the February 14 DSP Order and February 14 Amendment Order to include small commercial customers in its Standard Offer Program.

9. The Third Revised Plan includes the following documents:

- Exhibit 1: Revised EGS Standard Offer Program Request for Proposals and Program Rules;
- Exhibit 2: Revised Electric Tariff Page Nos. 31, 34;
- Exhibit 3: Revised Electric Generation Supplier Coordination Tariff Page No. 92.

The above documents and the changes therein are discussed in the following section. PECO has included a “clean” and “redline” copy of these documents in this filing. The “redline” versions of the Standard Offer Program Request for Proposals and Program Rules (collectively “Standard Offer Program Rules”) (Exhibit 1) and the tariffs (Exhibits 2 and 3) show changes from the documents submitted with PECO’s Second Revised Plan on February 28, 2013.

10. As a result of the extended proceedings for approval of the Standard Offer Program, the required Program revisions, and the opportunity to achieve certain synergies in designing and implementing the Program for both residential and small commercial customers at the same time, PECO proposes to commence the Standard Offer Program for both residential and small commercial customers on August 19, 2013 (*instead of June 1, 2013 for residential customers and August 14, 2013 for small commercial customers*). In order to ensure that residential and small commercial customers will be able to begin to receive Standard Offer generation service from EGSs in accordance with this revised schedule, PECO respectfully requests that the Commission issue a decision regarding the Third Revised Plan by May 23, 2013.

II. THIRD REVISED PLAN

A. Expanding The Standard Offer Program To Small Commercial Customers

11. In the February 14 DSP Order and the February 14 Amendment Order directing PECO to include small commercial customers in the Standard Offer Program, the Commission refers to small commercial and industrial customers with loads equal to or below 25 kW. *See* February 14 Amendment Order, p. 3, n. 2; February 14 DSP Order, pp. 19-20. Under PECO’s existing tariffs, small commercial customers are non-residential customers with peak demands

equal to or below 100 kW.² In order to be consistent with its existing tariff structure, PECO is proposing to permit small commercial customers with peak demands equal to or below 100 kW to participate in the Standard Offer Program. Imposing a different definition of small commercial customer (e.g., with demand equal to or less than 25 kW) for the Standard Offer Program would lead to significant additional IT expenses and further delay the ability of any small commercial customers to participate in the Standard Offer Program. Furthermore, the Company's proposal to permit all of its small commercial customers to participate in the Standard Offer Program is consistent with the Commission's determination to permit the commercial customers in the smallest existing rate classes of Pennsylvania Power Company and West Penn Power Company (with demands up to 50 kW and 100 kW, respectively) to participate in the Standard Offer Programs of those companies.³

12. In the February 14 Amendment Order, the Commission directed the Company to include small commercial customers in the Standard Offer Program starting no later than six months following the Order (August 14, 2013). *See* February 14 Amendment Order, pp. 16-17. The six-month time frame was intended to respond to PECO's concern that adding small commercial customers would increase the complexity of the Program given the varying load profiles and varying rates of those customers. *Id.*

13. The Company appreciates the Commission's provision of additional implementation time for the expanded Standard Offer Program. In planning for incorporation of small commercial customers, PECO has determined that it will be able to more easily and

² *See* PECO Tariff Electric PA PUC No. 4, Page No. 27.

³ *See* Opinion and Order, *Joint Petition of Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company and West Penn Power Company For Approval of Their Default Service Programs*, Docket Nos. P-2011-2273650, P-2011-2273668, P-2011-2273669, P-2011-2273670 (Order entered September 27, 2012), p. 13.

efficiently design and implement the Standard Offer Program for both residential and small commercial customers if the program is released to both customer classes simultaneously in the approximate timeframe the Commission permitted for introduction of the program to small commercial customers. Therefore, PECO proposes a revised schedule under which the Standard Offer Program will be operating by mid-August 2013 for both residential and small commercial customers, with PECO ready to accept applications from EGSs beginning on July 1, 2013.⁴

B. Suspending The ROI Program

14. In the ROI Suspension Order, the Commission directed PECO to postpone its ROI Program and, to the extent necessary, submit conforming revisions to its default service plan within thirty days of the entry of the Order (May 4, 2013). *See* ROI Suspension Order, pp. 7-8.

15. The Company has made revisions to its Electric Tariff (Exhibit 2) and Electric Generation Supplier Coordination Tariff (Exhibit 3) to reflect the suspension of the ROI Program. The Company does not believe any additional revisions to its default service plan are required to suspend the ROI Program.

III. AFFILIATED INTEREST AGREEMENT

16. In light of the changes made to the Form Agreement in the Standard Offer Program Rules to incorporate small commercial customers, the Company requests that the Commission approve the revised form for use as an affiliated interest agreement under 66 Pa.C.S. § 2102.

⁴ PECO notes that the Commission has directed that the Standard Offer Program should commence in August 2013 for both Duquesne Light Company and PPL Electric Utilities. *See Petition of Duquesne Light Company for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2013 through May 31, 2105*, Docket No. P-2012-2301664 (Order entered January 25, 2013), p. 151; *Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan*, Docket No. P-2012-2302074 (Order entered January 24, 2013), p. 178.

IV. CONCLUSION

WHEREFORE, PECO respectfully requests that the Commission issue an order by May 23, 2013 accepting this Third Revised Default Service Plan, including all exhibits.

Respectfully submitted,



Thomas P. Gadsden
(Pa. No. 28478)
Kenneth M. Kulak
(Pa. No. 75509)
Brooke E. McGlenn
(Pa. No. 204918)
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921

Romulo L. Diaz, Jr.
(Pa. No. 88795)
Anthony E. Gay
(Pa. No. 74624)
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699

Counsel for PECO Energy Company

Dated: April 15, 2013

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EXHIBIT 1

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

PECO Energy Company

*Electric Generation Supplier
Standard Offer Program for Residential and
Small Commercial Customers
Request for Proposals and Program Rules*

MONTH XX, 2013

ARTICLE 1 INTRODUCTION

- 1.1 In this Request for Proposals (“RFP”), PECO Energy Company (“PECO” or the “Company”) is soliciting proposals by electric generation suppliers (“EGSs”) to provide competitive retail service to residential customers and small commercial customers with peak loads up to and including 100 kW (“Eligible Customers”). Participating EGSs in this program (the “Standard Offer Program” or “Program”) will have the opportunity to submit applications to provide fixed-price electric generation service to Eligible Customers for twelve monthly billing cycle periods, on a month by month basis beginning approximately three weeks after the application is submitted. This document describes the process by which EGSs may qualify and submit applications and the rules with which each accepted applicant (the “Standard Offer Supplier”) must comply and the standard terms and conditions for service provided by the Standard Offer Supplier under this Program.
- 1.2 Program Duration. The Standard Offer Program will begin on August 19, 2013 and the final month of the Standard Offer Program will be May 2015.
- 1.3 PECO is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal corporate office in Philadelphia, Pennsylvania. PECO is an electric distribution company under Pennsylvania law and provides electric delivery service to approximately 1.6 million retail customers in Southeastern Pennsylvania. PECO is also the default service provider in its service territory, and currently provides electric generation service to approximately [_____] residential customers and [_____] small commercial customers.
- 1.4 Participating EGSs must qualify by submitting an application (an “Application”) to PECO demonstrating their qualifications to become a Standard Offer Supplier, as described in detail in Section 3.2. These qualifications include certification to serve load in the PECO territory at the time of Standard Offer Supplier Application Due Date. As part of the qualifying process, an Applicant will be required to execute a Standard Offer Supplier Agreement in which the Applicant agrees to various requirements. In the Standard Offer Supplier Agreement, the Applicant agrees to offer all interested residential and small commercial customers a fixed price, in cents per kilowatt-hour, for which the supplier is prepared to provide electric generation service to customers for twelve monthly billing cycle periods (the “Standard Offer Period”). The fixed price to be offered by the Applicant must be seven percent (7%) lower than the applicable PECO default service rate (the “Price-to-Compare”) in effect at the time of the offer.
- 1.5 Although applications may be submitted at any time, PECO will activate Standard Offer Suppliers only for whole calendar months (with the exception of the first month of the Standard Offer Program, which will begin on August 19, 2013 and end on September 30, 2013). An Applicant must be deemed qualified by PECO at least ten business days in advance of first day of the next calendar month in order to be activated as a Standard Offer Supplier for that month. A Standard Offer Supplier may request removal from the

list of Standard Offer Suppliers upon thirty days written notice to PECO. Absent a request to be removed from the list, Standard Offer Suppliers will continue to be listed from month to month.

1.6 This RFP includes the following attached documents:

Exhibit 1: Standard Offer Supplier Application (including Standard Offer Supplier Agreement)

**ARTICLE 2
SCHEDULE AND STANDARD OFFER SUPPLIER INFORMATION**

2.1 Monthly RFP Schedule. The following table sets forth significant dates each month (the “Program Schedule”) for the Standard Offer Supplier Program. The time for each deadline on each specified date is 5:00 pm Eastern Prevailing Time (EPT). PECO reserves the right to modify these dates at its discretion.

RFP Overview and Technical Conference	Scheduled during the first week of the month prior to the upcoming Standard Offer Month
Standard Offer Supplier Application Due Date	Twenty business days before Standard Offer Month
Notification of Standard Offer Supplier Qualification	Ten business days before Standard Offer Month
Standard Offer Month	Calendar month
Commencement of Supply by Standard Offer Supplier	Based on enrolled customer’s switching date

2.2 RFP Overview and Technical Conference. PECO will post a schedule of technical web conferences to outline the Standard Offer Program, including the RFP process. PECO will notify all registered EGSs of the technical conferences by EGS bulletin and by email to the PUC/OCMO distribution list. Potential Applicants are urged to review this RFP, including exhibits, prior to the web conference. PECO will answer questions raised at each web conference to the extent possible. Any party wishing to participate in each web conference must send an e-mail to [e-mail address to be provided] with the subject line “Standard Offer Program” PECO will provide participation information for the web conference by return e-mail.

2.3 Applicant Inquiries. Before each technical conference, participants may submit questions to PECO via electronic mail [e-mail address to be provided]. To the extent possible, questions submitted prior to the technical conference will be addressed by PECO at the conference. Additional questions submitted and answered by PECO thereafter shall be posted with answers. The person or company submitting the question shall not be identified. While PECO will review and attempt to answer questions in good faith,

PECO reserves the right not to answer any question. The conference and this Applicant inquiry procedure are the exclusive methods for inquiring about this RFP, and questions submitted to individual PECO employees or the Company by other means will not be answered and may result in disqualification of the Applicant.

- 2.4 Informational Website and Updates. PECO has established a website – [\[www.peco.com/____/\]](http://www.peco.com/____/) – for electronic copies of RFP materials, posting of questions and answers, the RFP schedule, and other updates on this RFP. Applicants are encouraged to review this website regularly. In its sole discretion, PECO will endeavor to provide e-mail notification of important website updates to qualified Applicants.

ARTICLE 3 STANDARD OFFER SUPPLIER QUALIFICATION

- 3.1 Standard Offer Supplier Application. In order to submit an Application in response to this RFP, an Applicant must submit a printed original and three printed copies of an Application for approval by PECO using the form attached hereto as Exhibit 1, Attachment A (Form of Standard Offer Supplier Application). All Applications shall be submitted to the submission address specified in Section 6.1.3. Applications which are incomplete, do not conform to the form attached hereto, or otherwise do not satisfy all requirements of this RFP shall not be considered. Submission of a Standard Offer Supplier Application constitutes an Applicant's agreement to and acceptance of all terms and conditions of this RFP. An electronic copy of an Application may be provided initially via electronic email to *[e-mail address to be provided]* to meet the bidder application deadline for the upcoming Standard Offer Month as long as the required hard copies are received by 5:00 p.m. EPT on the business day immediately following.
- 3.2 Standard Offer Supplier Qualifications. In order to qualify to submit a Proposal, an Applicant must certify in the Application that it satisfies the following criteria (the "Standard Offer Supplier Qualifications"):
- (a) The Applicant is certified to serve load in the PECO territory at the time of the Standard Offer Supplier Application Due Date.
 - (b) The Applicant does not have any past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges).
 - (c) The Applicant agrees that any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines. No Program charges may be separately billed.
- 3.3 Standard Offer Supplier Agreement. Each Applicant must also execute a Standard Offer Supplier Agreement in the form included in the Standard Offer Supplier Application. In the event the Applicant does not become a Standard Offer Supplier, the Standard Offer Supplier Agreement will be returned to the Applicant unexecuted by PECO upon request of the Applicant.

- 3.4 Additional Information. PECO may, but is not obligated to, request additional information and materials from any Applicant for evaluation of an Application. Information submitted by an Applicant absent a request by PECO which is not in the nature of a correction or clarification to the Application will not be considered by PECO. If any information in an Application or Standard Offer Supplier Agreement is no longer true, Applicants shall immediately notify PECO of the changed information. Failure to provide such notification or respond to a request for additional information and materials may result in disqualification of the Applicant and rejection of its Application.
- 3.5 Prior Qualification. An Applicant who has previously qualified under the Standard Offer Supplier Program is not required to submit a second application for succeeding months, but must inform PECO of any change its status or ability to satisfy the qualification requirements as provided in Section 3.2. An Applicant who has previously qualified under the Standard Offer Supplier Program need not execute a new Standard Offer Supplier Agreement unless requested by PECO.
- 3.6 Application Evaluation and Notification of Applicants. PECO will evaluate each Application using a standard protocol for its completeness and satisfaction of the Standard Offer Supplier Qualifications. PECO will provide each Applicant with notice of its satisfaction or failure to satisfy the Standard Offer Supplier Qualifications by the date for Notification of Standard Offer Supplier Qualification set forth in the Program Schedule. In the notice of failure to satisfy the Standard Offer Supplier Qualifications, PECO shall inform each Applicant of any deficiency in its Application, which will result in disqualification of the Applicant if such deficiency is not remedied within two business days after written notice.
- 3.7 PECO Affiliates. Affiliates of PECO are permitted to submit Applications and to participate in this RFP to the same extent as any other entity.

ARTICLE 4 CUSTOMER ENROLLMENT

- 4.1 Enrollment. Eligible Customers may enroll with the Standard Offer Supplier through the PECO website or by telephone using an interactive voice response (“IVR”) system maintained and operated by PECO or a dedicated call center referral group. Customers may select a Standard Offer Supplier from a list, or choose to have PECO randomly assign a Standard Offer Supplier.
- 4.2 Enrollment Report. Once every business day, PECO will electronically transmit a report of enrollment requests received to each EGS serving as Standard Offer Supplier. The Enrollment Report will contain the information needed to enable the EGS to submit EDI 814 enrollment requests to PECO. Each Standard Offer Supplier shall submit EDI 814 enrollments within one business day of receipt of the enrollment request report from PECO. The contract date in the EDI 814 transaction must match the date of the applicable Enrollment Report.

- 4.3 Enrollment Processing. Upon receipt by PECO of the EDI 814 enrollment, the standard EDC Enrollment Letter (or other Pennsylvania Public Utility Commission (“Commission”)-approved form of notification) will be mailed by PECO to the customer.
- 4.4 Sales Agreement. Each Standard Offer Supplier shall send a sales agreement, which meets all PUC regulations and complies with the requirements set forth in the terms and conditions set forth in Article 5, to the customer no later than three business days after sending the EDI 814 enrollment transaction. The sales agreement will provide the terms of service for the initial 12-monthly billing cycle period and also provide information about how the terms may change after the initial 12-month period. This shall include the date by which the customer must take action to exercise his or her options at the end of the term.
- 4.5 Report to PA PUC. In order to monitor the success of the Standard Offer Supplier Program, PECO will produce two confidential reports to the Commission and the Office of the Consumer Advocate annually, with the first report submitted within 45 days after PECO has operated the program for 12 complete months. The second report will be submitted by June 15, 2015. In order to obtain statistics to prepare these reports, Standard Offer Suppliers shall provide metrics on a monthly basis in the form of electronic reports to PECO, including, for each offer month, with residential accounts and small commercial accounts reported separately: the number of accounts that enrolled in the program for the Standard Offer Month; the number of accounts that have dropped from the program in each month before the end of the 12-month Standard Offer Period (e.g. number of accounts dropped in the first month of the term number of accounts dropped in the second month, etc.); and the number of accounts retained by the EGS for at the end of the 12-month Standard Offer Period. PECO will provide a template for this reporting to facilitate compilation of data.

ARTICLE 5

STANDARD OFFER SUPPLIER STANDARD TERMS AND CONDITIONS

The following standard terms and conditions shall apply to all Standard Offer Suppliers:

- 5.1 At the time of the first contact between the Standard Offer Supplier and the Standard Offer Customer, the customer will be reminded of the terms and conditions of the standard offer, including the date by which the customer must take action to exercise his or her options at the end of the term.
- 5.2 All Standard Offer Supplier billing for customers who enroll under the Program shall be Consolidated EDC Billing.
- 5.3 Each customer shall have the option to return to PECO default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer, at any time and without incurring switching fees or other penalties.
- 5.4 Only PECO shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. Except as

otherwise permitted in the Supplier Tariff, in no event may a Standard Offer Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Standard Offer Period.

- 5.5 All Standard Offer Suppliers must provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under PA PUC regulations and orders.
- 5.6 Notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Standard Offer Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

ARTICLE 6 ADDITIONAL PROGRAM PROVISIONS

- 6.1 Program Costs. All costs associated with implementation of the Standard Offer Supplier Program, including this RFP, will be recovered as follows. Costs include information system implementation costs for website and IVR changes, incremental call center support for the program and other associated administrative costs.
 - 6.1.1 Customer Enrollment Fee. Standard Offer Suppliers will be charged a fee of \$30.00 per each referred customer, as determined by the Enrollment Reports. To the extent that the actual costs per referred customer are less than \$30.00, the difference between the actual costs and \$30.00 will be refunded. Each Standard Supplier shall be responsible for the payment of the product of: (1) \$30.00 or the actual cost per referred customer (whichever is smaller); and (2) the number of Eligible Customers referred to that Standard Offer Supplier for a particular program month. PECO shall invoice each Standard Offer Supplier within thirty days of the last business day of each month, with the amount due payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, PECO may reduce the amount due to that Standard Offer Supplier under PECO's Purchase of Receivable ("POR") program by the unpaid amount (but not from amounts that are subject to a bona fide POR payment dispute). A Standard Offer Supplier that has past due Customer Enrollment Fee payments owed to PECO under this Program will be ineligible to participate in the Program until the past due payments are paid.
 - 6.1.2 Remaining Program Costs. Any remaining Program costs will be recovered 50% from the Purchase of Receivables discount and 50% from residential and small commercial default service customers.
 - 6.1.3 Address for submissions. All submissions to PECO for this RFP and Program, unless otherwise communicated at a technical conference and subsequently posted to the _____ website, shall be delivered via overnight delivery to the following address:

PECO Standard Offer Supplier Program
c/o [Name],
PECO Energy Company
S14-2
2301 Market Street
Philadelphia, PA 19103

Applicant is solely responsible for the timely delivery of any submission for this RFP. Applications and other materials received after the applicable date specified in this RFP shall be accepted only in PECO's sole discretion. Electronic emails shall be sent to: *[e-mail address to be provided]*

- 6.2 No Unauthorized Modifications. No interpretation or change to this RFP shall be valid unless it is signed by a duly authorized representative designated by an Officer of PECO.
- 6.3 Ownership of RFP Materials. All materials submitted to PECO pursuant to this RFP shall be the property of PECO.
- 6.4 Presentation and Formatting. All information submitted by an Applicant must be in the English language.
- 6.5 Costs. PECO shall have no responsibility whatsoever with respect to the costs of any Applicant in considering or responding to this RFP, including but not limited to any costs of preparing any materials submitted to PECO.
- 6.6 Use of PECO Mark. PECO will have final approval regarding the use of any PECO mark and any other reference to PECO in materials related to the Standard Offer Supplier Program.
- 6.7 Publicity. Each Applicant understands and agrees that PECO does not participate in, nor does it allow, Applicants to utilize media releases of any kind to publicize Applicant's business relationship with PECO. Each Applicant shall not use any trade name, trademark, service mark or any other information which identifies PECO in such Applicant's sales, marketing and publicity activities, including interviews with representatives of any written publication, or television or radio station or network, without PECO's express prior written consent. Standard Offer Suppliers are not permitted to promote their role as Standard Offer Supplier, either before, during or after their Offer Month, without PECO's prior written approval, which PECO may withhold approval in its sole discretion. These prohibitions, however, shall not be construed to require PECO's express consent before an Applicant or Standard Offer Supplier can refer, in a factual manner, to the PECO service territory or their participation in the PECO program so long as the references are factual and do not infer an endorsement by or affiliation with PECO.

- 6.8 Disclaimer. PECO makes no representations or warranties regarding the accuracy or completeness of the information contained in this RFP and its exhibits or any statements made by representatives of PECO during the RFP process. Each Applicant is responsible for making its own evaluation of information and data contained in this RFP and in preparing and submitting responses to this RFP. The issuance of this RFP and the receipt of information in response to this RFP shall not, in any way, cause PECO to incur any liability (whether contractual, financial or otherwise) to any Applicant participating in the RFP process. By submitting an Application, Applicant releases PECO, its affiliates, officers, employees, and agents from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) (collectively, "Claims") relating to this RFP and agrees to indemnify PECO, its affiliates, officers, employees and agents from any Claims arising from any false representation or violation of these RFP rules by Applicant.
- 6.9 Not an Offer. This RFP is issued to elicit responses to PECO's inquiry and is not an offer. The issuance of the RFP and the submission of Applicant's information do not create any obligation upon PECO, and PECO reserves the right to accept or reject any or all proposals received. PECO also reserves the right to amend, suspend, or terminate the RFP process at any time, without reason and without liability, and makes no commitments, implied or otherwise, that this process will result in a business transaction with one or more Applicants. No contract or other binding obligation on PECO will be implied unless and until an agreement has been executed on terms and conditions acceptable to PECO. PECO also reserves the right to not execute agreements with any or all Applicants should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.
- 6.10 Non-conforming Applications. PECO reserves the right to reject any Application at any time on the grounds that it does not conform to the terms and conditions of this RFP or the Applicant has not complied with the provisions of this RFP.

EXHIBIT 1 - FORM OF STANDARD OFFER SUPPLIER APPLICATION

Name of Applicant:			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:
<p><u>INSTRUCTIONS</u></p> <p>Two signed originals of Attachment A (Standard Offer Supplier Agreement) must be attached to Applicant's original Application, with a copy attached to each of the three required additional copies. All terms used herein have the meaning set forth in PECO's Standard Offer Supplier Program Request for Proposals and Program Rules.</p>			
<p>As an officer or other authorized representative of the Applicant, I certify that: (a) the Applicant is certified to serve load in the PECO territory at the time of the Standard Offer Supplier Application Due Date; (b) the Applicant does not have any past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges); and (c) the Applicant agrees that any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines, and no Program charges may be separately billed.</p>			
<p><u>SIGNATURE OF AUTHORIZED REPRESENTATIVE</u></p>			
<p>I am an officer or other authorized representative of the Applicant and certify that all of the information and certifications in this Application are true and acknowledge that this submission constitutes acceptance and agreement to all terms of the RFP.</p>			
Signature:		Date:	
Name:		Title:	

EXHIBIT 1 - ATTACHMENT A

FORM OF STANDARD OFFER SUPPLIER AGREEMENT

This Agreement ("Agreement") is made as of _____, 201_ (the "Effective Date"), by and between [Standard Offer Supplier] and PECO Energy Company, a public utility authorized to supply electric service in the Commonwealth of Pennsylvania ("PECO") (each a "Party" and collectively "the Parties").

1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the EGS Standard Offer Program Request for Proposals and Program Rules issued by PECO on _____, 2013 (the "Program") and PECO's Electric Generation Supplier Coordination Tariff (the "Supplier Tariff").

2. Term. This Agreement shall commence on the Effective Date and shall remain in effect unless terminated as provided in this Agreement.

3. Fixed Price to Customers. In accordance with the Program, the Standard Offer Supplier shall provide Competitive Energy Supply to each customer that enrolls with the Standard Offer Supplier (a "Standard Offer Customer") at effective Standard Offer Price at the time of each customer's date of enrollment. The Standard Offer Price shall be a fixed cents/kWh comprised of a seven percent (7 %) reduction from the applicable PECO Energy default service Price to Compare that is effective on the date the standard offer is made. The Standard Offer Price will be available to the Standard Offer Customer over twelve complete billing cycles ("Standard Offer Period").

4. Terms and Conditions. During the Term, the Standard Offer Supplier agrees that: (a) all Standard Offer Supplier billing for each Standard Offer Customer shall be Consolidated EDC Billing; (b) each Standard Offer Customer shall have the option to return to PECO default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer, at any time and without incurring switching fees or other penalties; (c) only PECO shall be entitled to terminate service to Standard Offer Customers for non-payment of EGS charges under the terms of PECO's approved Purchase of Receivables program in the Supplier Tariff; (d) except as otherwise permitted in the Supplier Tariff, in no event may a Standard Offer Supplier discontinue service to a Standard Offer Customer before the end of the Standard Offer Period; (e) the Standard Offer Supplier shall provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under the Supplier Tariff and/or PA PUC regulations or Policy Statements; (f) Standard Offer Customers may choose to be assigned to the Standard Offer Supplier of their choice or may choose a random assignment by PECO; (g) notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Standard Offer Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders; and (h) Standard Offer Suppliers will be charged a fee of \$30.00 per each referred customer, as determined by the Enrollment Reports. To the extent that the actual costs per referred customer are less than \$30.00, the difference between the actual costs and \$30.00 will be refunded. Monthly, each Standard Offer Supplier shall be responsible for the product of : (1) \$30.00 or the actual cost per referred customer (whichever is smaller); and (2) the number of Eligible Customers referred to that Standard Offer Supplier for a particular program month. PECO shall invoice each Standard Offer Supplier within thirty days of the last business day of each month, with the amount due payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, PECO may reduce the amount due to that Standard Offer Supplier from that Standard Offer Supplier's next Purchase of Receivable payment by the Standard Offer Program amount due (but not from amounts that are subject to a bona fide POR payment dispute). A

Standard Offer Supplier that has past due Customer Enrollment Fee payments owed to PECO under this Program will be ineligible to participate in the Program until past due payments are paid.

5. Representations and Warranties of Standard Offer Supplier. The Standard Offer Supplier represents and warrants that, on the Effective Date and throughout the Term: (a) it is certified to serve load in the PECO territory at the time of the Standard Offer Supplier Application Due Date; (b) it has no past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges); and (c) any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines.

6. Termination and Withdrawal from Supplier List. This Agreement may be terminated (i) by PECO upon written notice of a material breach of this Agreement by the Standard Offer Supplier; (ii) by PECO upon the termination of the Program; or (iii) by the Standard Offer Supplier upon thirty (30) days written notice, provided that the Standard Offer Supplier shall no longer be serving any Standard Offer Supplier customers who remain on a fixed rate offered by the Standard Offer Supplier under the Program during the Standard Offer Period applicable to such customer. A Standard Offer Supplier shall be removed from PECO's Standard Offer Supplier list upon 30 days written notice, but the Agreement shall not terminate except as provided in the preceding sentence.

7. Limitations. Notwithstanding any provision of this Agreement or the Program, the Standard Offer Supplier acknowledges that (a) the Standard Offer Supplier has obtained certain benefits from participating in the Program, but that PECO has made no representation regarding the number of customers (if any) the Standard Offer Supplier may obtain as a result of the Program, or the amount of electric load that will be required by such customers; (b) PECO has no obligation to provide electric supply other than default service in accordance with the Pennsylvania Public Utility Code to any customer that may be served by the Standard Offer Supplier in the event that the Standard Offer Supplier no longer serves that customer for any reason; and (c) the Standard Offer Supplier waives any right to claim any loss of business, consequential damage or any monetary or other direct damages from PECO of any kind whatsoever arising from or relating to this Agreement or the Program.

8. Indemnification. The Standard Offer Supplier shall indemnify, save and hold PECO harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with the Standard Offer Supplier's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

9. Other Provisions. This Agreement represents the entire agreement between PECO and Standard Offer Supplier and no amendment of this Agreement will be valid unless in writing and signed by representatives of both parties. Each Party represents that this Agreement is a legally valid and binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Agreement are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents, any contracts to which it is a party, and any applicable law, rule, regulation or order. Neither Party may assign this Agreement without consent of the other Party, not to be unreasonably withheld. All notices required under this Agreement shall be provided to the Parties and addresses listed directly below or to such other address as either Party may designate from time to time by providing written notice to the other Party. Nothing in this Agreement is intended to convey benefits, rights or remedies to any person other than Standard Offer Supplier and PECO, and no third party shall have the right to enforce the provisions of this Agreement, except that the PA PUC may enforce the provisions of this Agreement, the Program, the Supplier Tariff and any provision of the Pennsylvania Public Utility Code or PA PUC regulations applicable to this Agreement. This Agreement is not intended to create any partnership or joint venture between PECO and

the Standard Offer Supplier, and neither Party shall have the power to bind or obligate the other Party. In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either Party. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws provisions. In the event of any conflict between this Agreement, the Program, and the

Supplier Tariff, this Agreement shall be controlling.

PECO ENERGY COMPANY

By: _____

Name: _____

Title: _____

PECO Energy Company

ATTN:

2301 Market Street

Philadelphia, PA

Phone:

Fax:

E-mail: _____@peco-energy.com

[STANDARD OFFER SUPPLIER]

By: _____

Name: _____

Title: _____

[Company name]

[Address]

Phone:

Fax:

E-mail:

PECO Energy Company

Electric Generation Supplier

Standard Offer Program for Residential and

Small Commercial Customers

Request for Proposals and Program Rules

MONTH XX, 2013

ARTICLE 1 INTRODUCTION

- 1.1 In this Request for Proposals (“RFP”), PECO Energy Company (“PECO” or the “Company”) is soliciting proposals by electric generation suppliers (“EGSs”) to provide competitive retail service to residential customers and small commercial customers with peak loads up to and including 100 kW (“Eligible Customers”). Participating EGSs in this program (the “Standard Offer Program” or “Program”) will have the opportunity to submit applications to provide fixed-price electric generation service to Eligible Customers for twelve monthly billing cycle periods, on a month by month basis beginning approximately three weeks after the application is submitted. This document describes the process by which EGSs may qualify and submit applications and the rules with which each accepted applicant (the “Standard Offer Supplier”) must comply and the standard terms and conditions for service provided by the Standard Offer Supplier under this Program.
- 1.2 Program Duration. The Standard Offer Program will begin ~~at the conclusion of the enrollment period for PECO’s EGS Opt-In Offer Program, which is expected to conclude on or about May 15, 2013. The initial Standard Offer Month is expected to be June 2013 for residential customers~~ on August 19, 2013 and the final month of the Standard Offer [Month]Program will be May 2015.
- 1.3 PECO is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal corporate office in Philadelphia, Pennsylvania. PECO is an electric distribution company under Pennsylvania law and provides electric delivery service to approximately 1.6 million retail customers in Southeastern Pennsylvania. PECO is also the default service provider in its service territory, and currently provides electric generation service to approximately [_____] residential customers and [_____] small commercial customers.
- 1.4 Participating EGSs must qualify by submitting an application (an “Application”) to PECO demonstrating their qualifications to become a Standard Offer Supplier, as described in detail in Section 3.2. These qualifications include certification to serve load in the PECO territory at the time of Standard Offer Supplier Application Due Date. As part of the qualifying process, an Applicant will be required to execute a Standard Offer Supplier Agreement in which the Applicant agrees to various requirements. In the Standard Offer Supplier Agreement, the Applicant agrees to offer all interested residential and small commercial customers a fixed price, in cents per kilowatt-hour, for which the supplier is prepared to provide electric generation service to customers for twelve monthly billing cycle periods (the “Standard Offer Period”). The fixed price to be offered by the Applicant must be seven percent (7%) lower than the applicable PECO default service rate (the “Price-to-Compare”) in effect at the time of the offer.
- 1.5 Although applications may be submitted at any time, PECO will activate Standard Offer Suppliers only for whole calendar months (with the exception of the first month of the Standard Offer Program, which will begin on August 19, 2013 and end on

September 30, 2013). An Applicant must be deemed qualified by PECO at least ten business days in advance of first day of the next calendar month in order to be activated as a Standard Offer Supplier for that month. A Standard Offer Supplier may request removal from the list of Standard Offer Suppliers upon thirty days written notice to PECO. Absent a request to be removed from the list, Standard Offer Suppliers will continue to be listed from month to month.

1.6 This RFP includes the following attached documents:

Exhibit 1: Standard Offer Supplier Application (including Standard Offer Supplier Agreement)

**ARTICLE 2
SCHEDULE AND STANDARD OFFER SUPPLIER INFORMATION**

2.1 Monthly RFP Schedule. The following table sets forth significant dates each month (the “Program Schedule”) for the Standard Offer Supplier Program. The time for each deadline on each specified date is 5:00 pm Eastern Prevailing Time (EPT). PECO reserves the right to modify these dates at its discretion.

RFP Overview and Technical Conference	Scheduled during the first week of the month prior to the upcoming Standard Offer Month
Standard Offer Supplier Application Due Date	Twenty business days before Standard Offer Month
Notification of Standard Offer Supplier Qualification	Ten business days before Standard Offer Month
Standard Offer Month	Calendar month
Commencement of Supply by Standard Offer Supplier	Based on enrolled customer’s switching date

2.2 RFP Overview and Technical Conference. PECO will post a schedule of technical web conferences to outline the Standard Offer Program, including the RFP process. PECO will notify all registered EGSs of the technical conferences by EGS bulletin and by email to the PUC/OCMO distribution list. Potential Applicants are urged to review this RFP, including exhibits, prior to the web conference. PECO will answer questions raised at each web conference to the extent possible. Any party wishing to participate in each web conference must send an e-mail to [e-mail address to be provided] with the subject line “Standard Offer Program” PECO will provide participation information for the web conference by return e-mail.

2.3 Applicant Inquiries. Before each technical conference, participants may submit questions to PECO via electronic mail [e-mail address to be provided]. To the extent possible, questions submitted prior to the technical conference will be addressed by PECO at the

conference. Additional questions submitted and answered by PECO thereafter shall be posted with answers. The person or company submitting the question shall not be identified. While PECO will review and attempt to answer questions in good faith, PECO reserves the right not to answer any question. The conference and this Applicant inquiry procedure are the exclusive methods for inquiring about this RFP, and questions submitted to individual PECO employees or the Company by other means will not be answered and may result in disqualification of the Applicant.

- 2.4 Informational Website and Updates. PECO has established a website – [www.peco.com/_____] – for electronic copies of RFP materials, posting of questions and answers, the RFP schedule, and other updates on this RFP. Applicants are encouraged to review this website regularly. In its sole discretion, PECO will endeavor to provide e-mail notification of important website updates to qualified Applicants.

ARTICLE 3 STANDARD OFFER SUPPLIER QUALIFICATION

- 3.1 Standard Offer Supplier Application. In order to submit an Application in response to this RFP, an Applicant must submit a printed original and three printed copies of an Application for approval by PECO using the form attached hereto as Exhibit 1, Attachment A (Form of Standard Offer Supplier Application). All Applications shall be submitted to the submission address specified in Section ~~[8-2-]~~6.1.3. Applications which are incomplete, do not conform to the form attached hereto, or otherwise do not satisfy all requirements of this RFP shall not be considered. Submission of a Standard Offer Supplier Application constitutes an Applicant's agreement to and acceptance of all terms and conditions of this RFP. An electronic copy of ~~[the Applications]~~an Application may be provided initially via electronic email to ~~[e-mail address to be provided]~~ to meet the bidder application deadline for the upcoming Standard Offer Month as long as the required hard copies are received by 5:00 p.m. EPT on the business day immediately following.
- 3.2 Standard Offer Supplier Qualifications. In order to qualify to submit a Proposal, an Applicant must certify in the Application that it satisfies the following criteria (the "Standard Offer Supplier Qualifications"):
- (a) The Applicant is certified to serve load in the PECO territory at the time of the Standard Offer Supplier Application Due Date.
 - (b) The Applicant does not have any past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges).
 - (c) The Applicant agrees that any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines. No Program charges may be separately billed.
- 3.3 Standard Offer Supplier Agreement. Each Applicant must also execute a Standard Offer Supplier Agreement in the form included in the Standard Offer Supplier Application. In

the event the Applicant does not become a Standard Offer Supplier, the Standard Offer Supplier Agreement will be returned to the Applicant unexecuted by PECO upon request of the Applicant.

- 3.4 Additional Information. PECO may, but is not obligated to, request additional information and materials from any Applicant for evaluation of an Application. Information submitted by an Applicant absent a request by PECO which is not in the nature of a correction or clarification to the Application will not be considered by PECO. If any information in an Application or Standard Offer Supplier Agreement is no longer true, Applicants shall immediately notify PECO of the changed information. Failure to provide such notification or respond to a request for additional information and materials may result in disqualification of the Applicant and rejection of its Application.
- 3.5 Prior Qualification. An Applicant who has previously qualified under the Standard Offer Supplier Program is not required to submit a second application for succeeding months, but must inform PECO of any change its status or ability to satisfy the qualification requirements as provided in Section [3-4.]3.2. An Applicant who has previously qualified under the Standard Offer Supplier Program need not execute a new Standard Offer Supplier Agreement unless requested by PECO.
- 3.6 Application Evaluation and Notification of Applicants. PECO will evaluate each Application using a standard protocol for its completeness and satisfaction of the Standard Offer Supplier Qualifications. PECO will provide each Applicant with notice of its satisfaction or failure to satisfy the Standard Offer Supplier Qualifications by the date for Notification of Standard Offer Supplier Qualification set forth in the Program Schedule. In the notice of failure to satisfy the Standard Offer Supplier Qualifications, PECO shall inform each Applicant of any deficiency in its Application, which will result in disqualification of the Applicant if such deficiency is not remedied within two business days after written notice.
- 3.7 PECO Affiliates. Affiliates of PECO are permitted to submit Applications and to participate in this RFP to the same extent as any other entity.

ARTICLE 4 CUSTOMER ENROLLMENT

- 4.1 Enrollment. Eligible Customers may enroll with the Standard Offer Supplier through the PECO website or by telephone using an interactive voice response (“IVR”) system maintained and operated by PECO or a dedicated call center referral group. Customers may select a Standard Offer Supplier from a list, or choose to have PECO randomly assign a Standard Offer Supplier.
- 4.2 Enrollment Report. Once every business day, PECO will electronically transmit a report of enrollment requests received to each EGS serving as Standard Offer Supplier. The Enrollment Report will contain the information needed to enable the EGS to submit EDI 814 enrollment requests to PECO. Each Standard Offer Supplier shall submit EDI 814 enrollments within one business day of receipt of the enrollment request report from

PECO. The contract date in the EDI 814 transaction must match the date of the applicable Enrollment Report.

- 4.3 Enrollment Processing. Upon receipt by PECO of the EDI 814 enrollment, the standard EDC Enrollment Letter (or other Pennsylvania Public Utility Commission (“Commission”)-approved form of notification) will be mailed by PECO to the customer.
- 4.4 Sales Agreement. Each Standard Offer Supplier shall send a sales agreement, which meets all PUC regulations and complies with the requirements set forth in the terms and conditions set forth in Article 5, to the customer no later than three business days after sending the EDI 814 enrollment transaction. The sales agreement will provide the terms of service for the initial 12-monthly billing cycle period and also provide information about how the terms may change after the initial 12-month period. This shall include the date by which the customer must take action to exercise his or her options at the end of the term.
- 4.5 Report to PA PUC. In order to monitor the success of the Standard Offer Supplier Program, PECO will produce two confidential reports to the Commission and the Office of the Consumer Advocate annually, with the first report submitted within 45 days after PECO has operated the program for 12 complete months. The second report will be submitted by June 15, 2015. In order to obtain statistics to prepare these reports, Standard Offer Suppliers shall provide metrics on a monthly basis in the form of electronic reports to PECO, including, for each offer month, with residential accounts and small commercial accounts reported separately: the number of accounts that enrolled in the program for the Standard Offer Month_[5]; the number of accounts that have dropped from the program in each month before the end of the 12-month Standard Offer Period (e.g. number of accounts dropped in the first month of the term_[5] number of accounts dropped in the second month, etc.); and the number of accounts retained by the EGS for at the end of the 12-month Standard Offer Period. PECO will provide a template for this reporting to facilitate compilation of data.

ARTICLE 5 STANDARD OFFER SUPPLIER STANDARD TERMS AND CONDITIONS

The following standard terms and conditions shall apply to all Standard Offer Suppliers:

- 5.1 At the time of the first contact between the Standard Offer Supplier and the Standard Offer Customer, the customer will be reminded of the terms and conditions of the standard offer, including the date by which the customer must take action to exercise his or her options at the end of the term.
- 5.2 All Standard Offer Supplier billing for customers who enroll under the Program shall be Consolidated EDC Billing.
- 5.3 Each customer shall have the option to return to PECO default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer, at any time and without incurring switching fees or other penalties.

- 5.4 Only PECO shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. Except as otherwise permitted in the Supplier Tariff, in no event may a Standard Offer Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Standard Offer Period.
- 5.5 All Standard Offer Suppliers must provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under PA PUC regulations and orders.
- 5.6 Notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Standard Offer Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

ARTICLE 6 ADDITIONAL PROGRAM PROVISIONS

- 6.1 Program Costs. All costs associated with implementation of the Standard Offer Supplier Program, including this RFP, will be recovered as follows. Costs include information system implementation costs for website and IVR changes, incremental call center support for the program and other associated administrative costs.
- 6.1.1 Customer Enrollment Fee. Standard Offer Suppliers will be charged a fee of \$30.00 per each referred customer, as determined by the Enrollment Reports. To the extent that the actual costs per referred customer are less than \$30.00, the difference between the actual costs and \$30.00 will be refunded. Each Standard Supplier shall be responsible for the payment of the product of: (1) \$30.00 or the actual cost per referred customer (whichever is smaller); and (2) the number of Eligible Customers referred to that Standard Offer Supplier for a particular program month. PECO shall invoice each Standard Offer Supplier within thirty days of the last business day of each month, with the amount due payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, PECO may reduce the amount due to that Standard Offer Supplier under PECO's Purchase of Receivable ("POR") program by the unpaid amount (but not from amounts that are subject to a bona fide POR payment dispute). A Standard Offer Supplier that has past due Customer Enrollment Fee payments owed to PECO under this Program will be ineligible to participate in the Program until the past due payments are paid.
- 6.1.2 Remaining Program Costs. Any remaining Program costs will be recovered 50% from the Purchase of Receivables discount and 50% from residential and small commercial default service customers.
- 6.1.3 Address for submissions. All submissions to PECO for this RFP and Program, unless otherwise communicated at a technical conference and subsequently posted

to the _____ website, shall be delivered via overnight delivery to the following address:

PECO Standard Offer Supplier Program
c/o [Name],
PECO Energy Company
S14-2
2301 Market Street
Philadelphia, PA 19103

Applicant is solely responsible for the timely delivery of any submission for this RFP. Applications and other materials received after the applicable date specified in this RFP shall be accepted only in PECO's sole discretion. Electronic emails shall be sent to: *[e-mail address to be provided]*

- 6.2 No Unauthorized Modifications. No interpretation or change to this RFP shall be valid unless it is signed by a duly authorized representative designated by an Officer of PECO.
- 6.3 Ownership of RFP Materials. All materials submitted to PECO pursuant to this RFP shall be the property of PECO.
- 6.4 Presentation and Formatting. All information submitted by an Applicant must be in the English language.
- 6.5 Costs. PECO shall have no responsibility whatsoever with respect to the costs of any Applicant in considering or responding to this RFP, including but not limited to any costs of preparing any materials submitted to PECO.
- 6.6 Use of PECO Mark. PECO will have final approval regarding the use of any PECO mark and any other reference to PECO in materials related to the Standard Offer Supplier Program.
- 6.7 Publicity. Each Applicant understands and agrees that PECO does not participate in, nor does it allow, Applicants to utilize media releases of any kind to publicize Applicant's business relationship with PECO. Each Applicant shall not use any trade name, trademark, service mark or any other information which identifies PECO in such Applicant's sales, marketing and publicity activities, including interviews with representatives of any written publication, or television or radio station or network, without PECO's express prior written consent. Standard Offer Suppliers are not permitted to promote their role as Standard Offer Supplier, either before, during or after their Offer Month, without PECO's prior written approval, which PECO may withhold approval in its sole discretion. These prohibitions, however, shall not be construed to require PECO's express consent before an Applicant or Standard Offer Supplier can refer, in a factual manner, to the PECO service territory or their participation in the PECO

program so long as the references are factual and do not infer an endorsement by or affiliation with PECO.

- 6.8 Disclaimer. PECO makes no representations or warranties regarding the accuracy or completeness of the information contained in this RFP and its exhibits or any statements made by representatives of PECO during the RFP process. Each Applicant is responsible for making its own evaluation of information and data contained in this RFP and in preparing and submitting responses to this RFP. The issuance of this RFP and the receipt of information in response to this RFP shall not, in any way, cause PECO to incur any liability (whether contractual, financial or otherwise) to any Applicant participating in the RFP process. By submitting an Application, Applicant releases PECO, its affiliates, officers, employees, and agents from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) (collectively, "Claims") relating to this RFP and agrees to indemnify PECO, its affiliates, officers, employees and agents from any Claims arising from any false representation or violation of these RFP rules by Applicant.
- 6.9 Not an Offer. This RFP is issued to elicit responses to PECO's inquiry and is not an offer. The issuance of the RFP and the submission of Applicant's information do not create any obligation upon PECO, and PECO reserves the right to accept or reject any or all proposals received. PECO also reserves the right to amend, suspend, or terminate the RFP process at any time, without reason and without liability, and makes no commitments, implied or otherwise, that this process will result in a business transaction with one or more Applicants. No contract or other binding obligation on PECO will be implied unless and until an agreement has been executed on terms and conditions acceptable to PECO. PECO also reserves the right to not execute agreements with any or all Applicants should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.
- 6.10 Non-conforming Applications. PECO reserves the right to reject any Application at any time on the grounds that it does not conform to the terms and conditions of this RFP or the Applicant has not complied with the provisions of this RFP.

EXHIBIT 1 - FORM OF STANDARD OFFER SUPPLIER APPLICATION

Name of Applicant:			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:
<p><u>INSTRUCTIONS</u></p> <p>Two signed originals of Attachment A (Standard Offer Supplier Agreement) must be attached to Applicant's original Application, with a copy attached to each of the three required additional copies. All terms used herein have the meaning set forth in PECO's Standard Offer Supplier Program Request for Proposals and Program Rules.</p>			
<p>As an officer or other authorized representative of the Applicant, I certify that: (a) the Applicant is certified to serve load in the PECO territory at the time of the Standard Offer Supplier Application Due Date; (b) the Applicant does not have any past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges); and (c) the Applicant agrees that any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines, and no Program charges may be separately billed.</p>			
<p><u>SIGNATURE OF AUTHORIZED REPRESENTATIVE</u></p>			
<p>I am an officer or other authorized representative of the Applicant and certify that all of the information and certifications in this Application are true and acknowledge that this submission constitutes acceptance and agreement to all terms of the RFP.</p>			
Signature:		Date:	
Name:		Title:	

EXHIBIT 1 - ATTACHMENT A

FORM OF STANDARD OFFER SUPPLIER AGREEMENT

This Agreement ("Agreement") is made as of _____, 201_ (the "Effective Date"), by and between [Standard Offer Supplier] and PECO Energy Company, a public utility authorized to supply electric service in the Commonwealth of Pennsylvania ("PECO") (each a "Party" and collectively "the Parties").

1. Definitions. All capitalized terms not otherwise defined herein shall have the meaning set forth in the EGS Standard Offer Program Request for Proposals and Program Rules issued by PECO on _____, 2013 (the "Program") and PECO's Electric Generation Supplier Coordination Tariff (the "Supplier Tariff").

2. Term. This Agreement shall commence on the Effective Date and shall remain in effect unless terminated as provided in this Agreement.

3. Fixed Price to Customers. In accordance with the Program, the Standard Offer Supplier shall provide Competitive Energy Supply to each customer that enrolls with the Standard Offer Supplier (a "Standard Offer Customer") at effective Standard Offer Price at the time of each customer's date of enrollment. The Standard Offer Price shall be a fixed cents/kWh comprised of a seven percent (7 %) reduction from the [effective] applicable PECO Energy [residential] default service Price to Compare, that is effective on the date the standard offer is made. The Standard Offer Price will be available to the Standard Offer Customer over twelve complete billing cycles ("Standard Offer Period").

4. Terms and Conditions. During the Term, the Standard Offer Supplier agrees that: (a) all Standard Offer Supplier billing for each Standard Offer Customer shall be Consolidated EDC Billing; (b) each Standard Offer [customer] Customer shall have the option to return to PECO default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer, at any time and without incurring switching fees or other penalties; (c) only PECO shall be entitled to terminate service to Standard Offer Customers for non-payment of EGS charges under the terms of PECO's approved Purchase of Receivables program in the Supplier Tariff; (d) except as otherwise permitted in the Supplier Tariff, in no event may a Standard Offer Supplier discontinue service to a Standard Offer Customer before the end of the Standard Offer Period; (e) the Standard Offer Supplier shall provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under the Supplier Tariff and/or PA PUC regulations or Policy Statements; (f) Standard Offer Customers may choose to be assigned to the Standard Offer Supplier of their choice or may choose a random assignment by PECO; (g) notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Standard Offer Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders; and (h) Standard Offer Suppliers will be charged a fee of \$30.00 per each referred customer, as determined by the Enrollment Reports. To the extent that the actual costs per referred customer are less than \$30.00, the difference between the actual costs and \$30.00 will be refunded. Monthly, each Standard Offer Supplier shall be responsible for the product of: (1) \$30.00 or the actual cost per referred customer (whichever is smaller); and (2) the number of Eligible Customers referred to that Standard Offer Supplier for a particular program month. PECO shall invoice each Standard Offer Supplier within thirty days of the last business day of each month, with the amount due payable within thirty days of the date of the invoice. If a Standard Offer Supplier fails to make the required payment, PECO may reduce the amount due to that Standard Offer Supplier from that Standard Offer Supplier's next Purchase of Receivable payment by the Standard Offer Program amount due (but not from amounts that are subject to a bona fide

POR payment dispute). A Standard Offer Supplier that has past due Customer Enrollment Fee payments owed to PECO under this Program will be ineligible to participate in the Program until past due payments are paid.

5. Representations and Warranties of Standard Offer Supplier. The Standard Offer Supplier represents and warrants that, on the Effective Date and throughout the Term: (a) it is certified to serve load in the PECO territory at the time of the Standard Offer Supplier Application Due Date; (b) it has no past due outstanding supplier-related charges owed to PECO (excluding any pending disputed charges); and (c) any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines.

6. Termination and Withdrawal from Supplier List. This Agreement may be terminated (i) by PECO upon written notice of a material breach of this Agreement by the Standard Offer Supplier; (ii) by PECO upon the termination of the Program; or (iii) by the Standard Offer Supplier upon thirty (30) days written notice, provided that the Standard Offer Supplier shall no longer be serving any Standard Offer Supplier customers who remain on a fixed rate offered by the Standard Offer Supplier under the Program during the Standard Offer Period applicable to such customer. A Standard Offer Supplier shall be removed from PECO's Standard Offer Supplier list upon 30 days written notice, but the Agreement shall not terminate except as provided in the preceding sentence.

7. Limitations. Notwithstanding any provision of this Agreement or the Program, the Standard Offer Supplier acknowledges that (a) the Standard Offer Supplier has obtained certain benefits from participating in the Program, but that PECO has made no representation regarding the number of customers (if any) the Standard Offer Supplier may obtain as a result of the Program, or the amount of electric load that will be required by such customers; (b) PECO has no obligation to provide electric supply other than default service in accordance with the Pennsylvania Public Utility Code to any customer that may be served by the Standard Offer Supplier in the event that the Standard Offer Supplier no longer serves that customer for any reason; and (c) the Standard Offer Supplier waives any right to claim any loss of business, consequential damage or any monetary or other direct damages from PECO of any kind whatsoever arising from or relating to this Agreement or the Program.

8. Indemnification. The Standard Offer Supplier shall indemnify, save and hold PECO harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with the Standard Offer Supplier's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

9. Other Provisions. This Agreement represents the entire agreement between PECO and Standard Offer Supplier and no amendment of this Agreement will be valid unless in writing and signed by representatives of both parties. Each Party represents that this Agreement is a legally valid and binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Agreement are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents, any contracts to which it is a party, and any applicable law, rule, regulation or order. Neither Party may assign this Agreement without consent of the other Party, not to be unreasonably withheld. All notices required under this Agreement shall be provided to the Parties and addresses listed directly below or to such other address as either Party may designate from time to time by providing written notice to the other Party. Nothing in this Agreement is intended to convey benefits, rights or remedies to any person other than Standard Offer Supplier and PECO, and no third party shall have the right to enforce the provisions of this Agreement, except that the PA PUC may enforce the provisions of this Agreement, the Program, the Supplier Tariff and any provision of the Pennsylvania Public Utility Code or PA PUC regulations applicable to this

Agreement. This Agreement is not intended to create any partnership or joint venture between PECO and the Standard Offer Supplier, and neither Party shall have the power to bind or obligate the other Party. In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either Party. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws provisions. In the event of any conflict between this Agreement, the Program, and the

Supplier Tariff, this Agreement shall be controlling.

PECO ENERGY COMPANY

By: _____

Name: _____

Title: _____

PECO Energy Company
ATTN:
2301 Market Street
Philadelphia, PA
Phone:
Fax:
E-mail: _____@peco-energy.com

[STANDARD OFFER SUPPLIER]

By: _____

Name: _____

Title: _____

[Company name]
[Address]

Phone:
Fax:
E-mail:

RECEIVED

APR 16 2013

**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

EXHIBIT 2

RECEIVED

APR 15 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued April 15, 2013

Effective June 1, 2013

ISSUED BY: C. L. Adams – President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101

NOTICE.

RECEIVED

APR 15 2013

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO Energy Company

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Generation Supply Adjustment for Procurement Classes 1, 2, 3 Loads up to 500 kW – 16th Revised Page No. 31
Reflects provisions for compliance with the Order at Docket No. P-2012-2283641 issued on April 4, 2013.

Reconciliation – 6th Revised Page No. 34

Reflects provisions for compliance with the Order at Docket No. P-2012-2283641 issued on April 4, 2013.

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PECO Energy Company

GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASSES 1,2,3

LOADS UP TO 500KW

Applicability: Effective June 1, 2013 this adjustment shall apply to all customers taking default service from the Company with demands up to 500 kW. The rate contained herein shall be calculated to the nearest one hundredth of a cent. The GSA shall contain the cost of generation supply for each tariff rate.

Pricing: The rates below shall include the cost of procuring power to serve the default service customers including the cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") plus associated administrative expenses incurred in acquiring power and gaining regulatory approval of any procurement strategy and plan. The pricing for default service will represent the estimate of the cost to serve the specific tariff rate for the next quarterly period beginning with the three months ended August 31, 2013. The rates in this tariff shall be updated quarterly on June 1, September 1, December 1 and March 1 commencing June 1, 2013. If the balance of over/(under) recovery gets too large, the Company can file a reconciliation that will mitigate the subsequent impact. The generation service charge shall be calculated using the following formula:

GSA(n) = (C-E+A)/S*(1/(1-T)) * (1-ALL)/(1-LL) + AEPS/S*(1/(1-T)) + WC where;

C = The sum of the amounts paid to the full requirements suppliers providing the power for the quarterly period, the spot market purchases for the quarterly period, plus the cost of any other energy acquired for the quarterly period. Cost shall include energy, capacity and ancillary services, distribution line losses, cost of complying with the Alternative Energy Portfolio Standards, and any other load serving entity charges other than network transmission service and costs assigned under the Regional transmission Expansion Plan. Ancillary services shall include any allocation by PJM to PECO default service associated with the failure of a PJM member to pay its bill from PJM as well as the load serving entity charges listed in the Supply Master Agreement Exhibit D as the responsibility of the supplier. This component shall include the proceeds and costs from the exercise of Auction Revenue Rights granted to PECO by PJM.

AEPS = The projected total cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") not included in the C component above for the quarterly period for each procurement class. Costs include the amount paid for Alternative Energy and/or Alternative Energy Credits ("AEC's") purchased for compliance with the Act, the cost of administering and conducting any procurement of Alternative Energy and/or AEC's, payments to the AEC program administrator for its costs of administering an alternative energy credits program, payments to a third party for its costs in operating an AEC registry, any charge levied by PECO's regional transmission operator to ensure that alternative energy sources are reliable, a credit for the sale of any AEC's sold during the calculation period, and the cost of Alternative Compliance Payments that are deemed recoverable by the Commission, plus any other direct or indirect cost of acquiring Alternative Energy and/or AEC's and complying with the AEPS statute.

E = experienced over or under-collection calculated under the reconciliation provision of the tariff to be effective during the same period as the GSA.

A = Administrative Cost - This includes the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement plan, legal fees incurred gaining approval of the plan and any other costs associated with designing and implementing a procurement plan including the cost of the pricing forecast necessary for estimating cost recoverable under this tariff. Also included in this component shall be the cost to implement real time pricing or other time sensitive pricing such as dynamic pricing that is required of the Company or is approved in its Act 129 filing. Administrative Costs also include: (1) fifty percent of the implementation and ongoing costs of the Standard Offer Program approved by the Commission at Docket No. P-2012-2283641 that have not been otherwise recovered through fees paid by EGSs participating in the program; and (2) any other costs incurred to implement retail market enhancements directed by the Commission in its Retail Market Investigation at Docket No. I-2011-2237952 that are not otherwise recovered from EGSs. Costs for the Standard Offer Program shall only be recovered from Procurement Classes 1 and 2. (C)

S = Estimated sales for the period the rate is in effect for the classes to which the rate is applicable.

T = The currently effective gross receipts tax rate.

n = The procurement class for which the GSA is being calculated.

ALL = average line losses for the procurement class.

LL = line losses for the specific rate class provided in the Company's Electric Generation Supplier Coordination Tariff rule 6.6.

WC = 0.04¢/kWh to represent the cash working capital for power purchases.

Auction Revenue Rights (ARR) = Allocated annually by PJM to Firm transmission customers, the ARR's allow a Company to select rights to specific transmission paths in order to avoid congestion charges

In general the line loss adjustment is applicable to Procurement Class 2 and 3 only as those classes contain rate classes with three different line loss factors. Current charges:

Rate		GSA Price
R	GSA(1)	x.xxxx
RH	GSA(1)	x.xxxx
GS	GSA(2)	x.xxxx
GS	GSA(3)	x.xxxx

(C) Denotes Change

PECO Energy Company

Superseding Fifth Revised Page No. 34

RECONCILIATION

Applicability: Effective June 1, 2013 this adjustment shall apply to all customers who received default service during the period the cost of which is being reconciled. Customers taking default service during the reconciliation period that leave default service prior to the assessment of the collection of the over/(under) adjustment shall still pay or receive credit for the over/(under) adjustment through the migration provision. The Company shall notify the Commission and parties to the Default Service Settlement 15 days in advance of the quarterly or monthly filing if the Migration Provision will be implemented in the filing.

This adjustment shall be calculated on a quarterly basis for Procurement Classes 1, 2 and 3. The reconciliation period will include the three month period beginning December 1, March 1, June 1 and September 1. The initial reconciliation period will include the three month period beginning December 1, 2012 through February 28, 2013 with recovery occurring during the three month period June 1, 2013 through August 31, 2013. For Procurement Class 4 Hourly, the adjustment shall be calculated on a monthly basis with recovery commencing after the occurrence of a quarter. The reconciliation shall be separate for each procurement class. Any resulting over or under recovery shall be assessed on an equal cents per kilowatthour basis to all customers in the relevant procurement group. Any over/(under) recovery shall be collected after the occurrence of three months from the end of the reconciliation period. For Procurement Classes 1, 2 and 3 recovery shall be over a quarter. For Procurement Class 4 Hourly, recovery shall be monthly. For purposes of this rider the reconciliation shall be calculated 45 days before the effective date of recovery. The over or under recovery shall be calculated using the formula below. The calculation of the over/(under) recovery shall be done separately for the following procurement classes – Class 1 – Residential, Class 2 – Small C&I < 100 kW, and Class 3 – Medium C&I 101 kW to 500 kW and Class 4 Large C&I over 500 kW.

Reconciliation Formula

$$E_N = \Sigma O/(U) + I$$

$$\text{Migration Provision } E_M = [\Sigma O/(U) + I]/S/(1-GRT)^*(1-ALL)/(1-LL)$$

Where:

E = experienced over or under collection plus associated interest

N = Procurement class

M = Migration Rider

O/(U) = The monthly difference between revenue billed to the procurement class and the cost of supply as described below in Cost, AEPS Cost and Administrative Cost.

Revenue = amount billed to the tariff rates applicable to the procurement class including approved Real Time Price or other time sensitive rates for the period being reconciled through the GSA.

Cost = The sum of the amounts paid to all of the full requirements suppliers providing the power for the period being reconciled, the spot market purchases for the period being reconciled, plus the cost of any other energy acquired for the period being reconciled. Cost shall include energy, capacity and ancillary services as well as the proceeds and costs of auction revenue rights for Procurement Classes 1, 2 and 3. Ancillary services shall include any allocation by PJM to PECO default service associated with the failure of a PJM member to pay its bill from PJM as well as those costs listed in the Supply Master Agreement as the responsibility of the seller.

AEPS = The total cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") not included in the Cost component above for the reconciliation period for Procurement Classes 1, 2 and 3 and not included in the ancillary services component for Procurement Class 4 Hourly Service. Costs include the amount paid for Alternative Energy and/or Alternative Energy Credits ("AEC's") purchased for compliance with the Act, the cost of administering and conducting any procurement of Alternative Energy and/or AEC's, payments to the AEC program administrator for its costs of administering an alternative energy credits program, payments to a third party for its costs in operating an AEC registry, any charge levied by PECO's regional transmission operator to ensure that alternative energy sources are reliable, a credit for the sale of any AEC's sold during the calculation period, and the cost of Alternative Compliance Payments that are deemed recoverable by the Commission, plus any other direct or indirect cost of acquiring Alternative Energy and/or AEC's and complying with the AEPS statute.

Note that no AEPS rate will be filed for April 1, 2013, and costs otherwise recovered under that rate will be included in the GSA. Effective June 1, 2013, all AEPS costs shall be recovered in the GSA. By March 31, 2013, the Company shall file an AEPS over/under reconciliation statement for the 13 months ended February 2013 and any over/under recovery balance shall be combined with the over/under balance in the corresponding GSA at the end of February 2013 for recovery through the reconciliation provision of the GSA. Over/under recoveries occurring during the March 2013 to May 2013 period shall be combined with the corresponding GSA over/under recovery in future GSA reconciliations.

Administrative Cost = This includes the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement strategy, legal fees incurred gaining approval of the strategy, and any other costs associated with designing and implementing a procurement plan including the cost of the pricing forecast necessary for estimating cost recoverable under this tariff. Also included in this component shall be the cost to implement real time pricing or other time sensitive pricing such as dynamic pricing that is required of the Company or approved in its Act 129 filing. Administrative Costs also include: (1) fifty percent of the implementation and ongoing costs of the Standard Offer Program approved by the Commission at Docket No. P-2012-2283641 that have not been otherwise recovered through fees paid by EGSs participating in the program; and (2) any other costs incurred to implement retail market enhancements directed by the Commission in its Retail Market Investigation at Docket No. I-2011-2237952 that are not otherwise recovered from EGSs. Costs for the Standard Offer Program shall only be recovered from Procurement Classes 1 and 2. (C)

Full Requirements Supply = A product purchased by the Company that includes a fixed price for all energy consumed. The only cost added by the Company to the full requirements price is for gross receipts tax, distribution line losses, and administrative cost.

Ancillary Services = The following services in the PJM OATT- reactive support, frequency control, operating reserves, supplemental reserves, imbalance charges, PJM annual charges, any PJM assessment associated with non-payment by members, and any other load serving entity charges not listed here but contained in Exhibit D of the Supply Master Agreement. Also included shall be the proceeds and costs from the exercise of auction revenue rights for Procurement Class 4 Hourly Service.

(C) Denotes Change

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued April 15, 2013

Effective June 1, 2013

Deleted: February 28

ISSUED BY: C. L. Adams - President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101

NOTICE.

PECO Energy Company

Supplement No. 74 to
Tariff Electric Pa. P.U.C. No. 4
Sixty Fifth Revised Page No. 1
Supersedes Sixty Fourth Revised Page No. 1

LIST OF CHANGES MADE BY THIS SUPPLEMENT

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Generation Supply Adjustment for Procurement Classes 1, 2, 3 Loads up to 500 kW – 16th Revised Page No. 31
Reflects provisions for compliance with the Order at Docket No. P-2012-2283641 issued on April 4, 2013.

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Effective June 1, 2013

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PECO Energy Company

**GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASSES 1,2,3
 LOADS UP TO 500KW**

Applicability: Effective June 1, 2013 this adjustment shall apply to all customers taking default service from the Company with demands up to 500 kW. The rate contained herein shall be calculated to the nearest one hundredth of a cent. The GSA shall contain the cost of generation supply for each tariff rate.

Pricing: The rates below shall include the cost of procuring power to serve the default service customers including the cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") plus associated administrative expenses incurred in acquiring power and gaining regulatory approval of any procurement strategy and plan. The pricing for default service will represent the estimate of the cost to serve the specific tariff rate for the next quarterly period beginning with the three months ended August 31, 2013. The rates in this tariff shall be updated quarterly on June 1, September 1, December 1 and March 1 commencing June 1, 2013. If the balance of over/(under) recovery gets too large, the Company can file a reconciliation that will mitigate the subsequent impact. The generation service charge shall be calculated using the following formula:

$$GSA(n) = (C-E+A)/S * 1/(1-T) * (1-ALL)/(1-LL) + AEPS/S * 1/(1-T) + WC$$

C = The sum of the amounts paid to the full requirements suppliers providing the power for the quarterly period, the spot market purchases for the quarterly period, plus the cost of any other energy acquired for the quarterly period. Cost shall include energy, capacity and ancillary services, distribution line losses, cost of complying with the Alternative Energy Portfolio Standards, and any other load serving entity charges other than network transmission service and costs assigned under the Regional transmission Expansion Plan. Ancillary services shall include any allocation by PJM to PECO default service associated with the failure of a PJM member to pay its bill from PJM as well as the load serving entity charges listed in the Supply Master Agreement Exhibit D as the responsibility of the supplier. This component shall include the proceeds and costs from the exercise of Auction Revenue Rights granted to PECO by PJM.

AEPS = The projected total cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") not included in the C component above for the quarterly period for each procurement class. Costs include the amount paid for Alternative Energy and/or Alternative Energy Credits ("AEC's") purchased for compliance with the Act, the cost of administering and conducting any procurement of Alternative Energy and/or AEC's, payments to the AEC program administrator for its costs of administering an alternative energy credits program, payments to a third party for its costs in operating an AEC registry, any charge levied by PECO's regional transmission operator to ensure that alternative energy sources are reliable, a credit for the sale of any AEC's sold during the calculation period, and the cost of Alternative Compliance Payments that are deemed recoverable by the Commission, plus any other direct or indirect cost of acquiring Alternative Energy and/or AEC's and complying with the AEPS statute.

E = experienced over or under-collection calculated under the reconciliation provision of the tariff to be effective during the same period as the GSA.
 A = Administrative Cost - This includes the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement plan, legal fees incurred gaining approval of the plan and any other costs associated with designing and implementing a procurement plan including the cost of the pricing forecast necessary for estimating cost recoverable under this tariff. Also included in this component shall be the cost to implement real time pricing or other time sensitive pricing such as dynamic pricing that is required of the Company or is approved in its Act 129 filing. Administrative Costs also include: (1) fifty percent of the implementation and ongoing costs of the Standard Offer Program approved by the Commission at Docket No. P-2012-2283641 that have not been otherwise recovered through fees paid by EGSs participating in the program; and (2) any other costs incurred to implement retail market enhancements directed by the Commission in its Retail Market Investigation at Docket No. I-2011-2237852 that are not otherwise recovered from EGSs. Costs for the Standard Offer Program shall only be recovered from Procurement Classes 1 and 2.

S = Estimated sales for the period the rate is in effect for the classes to which the rate is applicable.

T = The currently effective gross receipts tax rate.

n = The procurement class for which the GSA is being calculated.

ALL = average line losses for the procurement class.

LL = line losses for the specific rate class provided in the Company's Electric Generation Supplier Coordination Tariff rule 8.8.

WC = 0.04¢/kWh to represent the cash working capital for power purchases.

Auction Revenue Rights (ARR) = Allocated annually by PJM to Firm transmission customers, the ARR's allow a Company to select rights to specific transmission paths in order to avoid congestion charges.

In general the line loss adjustment is applicable to Procurement Class 2 and 3 only as those classes contain rate classes with three different line loss factors. Current charges:

Rate		GSA Price
R	GSA(1)	x.xxxx
RH	GSA(1)	x.xxxx
GS	GSA(2)	x.xxxx
GS	GSA(3)	x.xxxx

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PECO Energy Company

RECONCILIATION

Applicability: Effective June 1, 2013 this adjustment shall apply to all customers who received default service during the period the cost of which is being reconciled. Customers taking default service during the reconciliation period that leave default service prior to the assessment of the collection of the over/(under) adjustment shall still pay or receive credit for the over/(under) adjustment through the migration provision. The Company shall notify the Commission and parties to the Default Service Settlement 15 days in advance of the quarterly or monthly filing if the Migration Provision will be implemented in the filing.

This adjustment shall be calculated on a quarterly basis for Procurement Classes 1, 2 and 3. The reconciliation period will include the three month period beginning December 1, March 1, June 1 and September 1. The initial reconciliation period will include the three month period beginning December 1, 2012 through February 28, 2013 with recovery occurring during the three month period June 1, 2013 through August 31, 2013. For Procurement Class 4 Hourly, the adjustment shall be calculated on a monthly basis with recovery commencing after the occurrence of a quarter. The reconciliation shall be separate for each procurement class. Any resulting over or under recovery shall be assessed on an equal cents per kilowatthour basis to all customers in the relevant procurement group. Any over/(under) recovery shall be collected after the occurrence of three months from the end of the reconciliation period. For Procurement Classes 1, 2 and 3 recovery shall be over a quarter. For Procurement Class 4 Hourly, recovery shall be monthly. For purposes of this rider the reconciliation shall be calculated 45 days before the effective date of recovery. The over or under recovery shall be calculated using the formula below. The calculation of the over/(under) recovery shall be done separately for the following procurement classes - Class 1 - Residential, Class 2 - Small C&I < 100 kW, and Class 3 - Medium C&I 101 kW to 500 kW and Class 4 Large C&I over 500 kW.

Reconciliation Formula

$$E_N = \Sigma O(U) + I$$

$$\text{Migration Provision } E_M = [\Sigma O(U) + I]S(1-GRT)^*(1-ALL)/(1-LL)$$

Where:

E = experienced over or under collection plus associated interest

N = Procurement class

M = Migration Rider

O(U) = The monthly difference between revenue billed to the procurement class and the cost of supply as described below in Cost, AEPS Cost and Administrative Cost.

Revenue = amount billed to the tariff rates applicable to the procurement class including approved Real Time Price or other time sensitive rates for the period being reconciled through the GSA.

Cost = The sum of the amounts paid to all of the full requirements suppliers providing the power for the period being reconciled, the spot market purchases for the period being reconciled, plus the cost of any other energy acquired for the period being reconciled. Cost shall include energy, capacity and ancillary services as well as the proceeds and costs of auction revenue rights for Procurement Classes 1, 2 and 3. Ancillary services shall include any allocation by PJM to PECO default service associated with the failure of a PJM member to pay its bill from PJM as well as those costs listed in the Supply Master Agreement of the seller.

AEPS = The total cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") not included in the Cost component above for the reconciliation period for Procurement Classes 1, 2 and 3 and not included in the ancillary services component for Procurement Class 4 Hourly Service. Costs include the amount paid for Alternative Energy and/or Alternative Energy Credits ("AEC's") purchased for compliance with the Act, the cost of administering and conducting any procurement of Alternative Energy and/or AEC's, payments to the AEC program administrator for its costs of administering an alternative energy credits program, payments to a third party for its costs in operating an AEC registry, any charge levied by PECO's regional transmission operator to ensure that alternative energy sources are reliable, a credit for the sale of any AEC's sold during the calculation period, and the cost of Alternative Compliance Payments that are deemed recoverable by the Commission, plus any other direct or indirect cost of acquiring Alternative Energy and/or AEC's and complying with the AEPS statute.

Note that no AEPS rate will be filed for April 1, 2013, and costs otherwise recovered under that rate will be included in the GSA. Effective June 1, 2013, all AEPS costs shall be recovered in the GSA. By March 31, 2013, the Company shall file an AEPS over/under reconciliation statement for the 13 months ended February 2013 and any over/under recovery balance shall be combined with the over/under balance in the corresponding GSA at the end of February 2013 for recovery through the reconciliation provision of the GSA. Over/under recoveries occurring during the March 2013 to May 2013 period shall be combined with the corresponding GSA over/under recovery in future GSA reconciliations.

Administrative Cost = This includes the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement strategy, legal fees incurred gaining approval of the strategy, and any other costs associated with designing and implementing a procurement plan including the cost of the pricing forecast necessary for estimating cost recoverable under this tariff. Also included in this component shall be the cost to implement real time pricing or other time sensitive pricing such as dynamic pricing that is required of the Company or approved in its Act 129 filing. Administrative Costs also include: (1) fifty percent of the implementation and ongoing costs of the Standard Offer Program approved by the Commission at Docket No. P-2012-2283841 that have not been otherwise recovered through fees paid by EGSs participating in the program; and (2) any other costs incurred to implement retail market enhancements directed by the Commission in its Retail Market Investigation at Docket No. I-2011-2237952 that are not otherwise recovered from EGSs. Costs for the Standard Offer Program shall only be recovered from Procurement Classes 1 and 2.

Full Requirements Supply = A product purchased by the Company that includes a fixed price for all energy consumed. The only cost added by the Company to the full requirements price is for gross receipts tax, distribution line losses, and administrative cost.

Ancillary Services = The following services in the PJM OATT- reactive support, frequency control, operating reserves, supplemental reserves, imbalance charges, PJM annual charges, any PJM assessment associated with non-payment by members, and any other load serving entity charges not listed here but contained in Exhibit D of the Supply Master Agreement. Also included shall be the proceeds and costs from the exercise of auction revenue rights for Procurement Class 4 Hourly Service.

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EXHIBIT 3

PECO Energy Company

ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19103

Issued: April 15, 2013

Effective: June 1, 2013

**ISSUED BY: C. L. Adams – President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19103**

NOTICE.

Supplement No. 15 to
Tariff Electric Pa. P.U.C. No. 1S
Twelfth Revised Page No. 1A
Superseding Eleventh Revised Page No. 1A

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

EDC Consolidated Billing – 6th Revised Page No. 92

Reflects provisions for compliance with the Order at Docket No. P-2012-2283641 issued on April 4, 2013.

PECO Energy Company

resulting calculation ("EGS Charges") to PECO Energy via VAN or Internet protocol.

4. PECO Energy will provide the EGS up to two lines, each 80 characters in length, on its standard bill for messages directly related to the calculation or understanding of the EGS portion of the bill.

5. PECO Energy and EGSs will transmit Meter Data and billing charges to each other in accordance with the attached interim monthly billing schedule (Attachment E - Data Transfer Schedule.) PECO Energy will provide 60 days advance notice to EGSs before any modification takes effect so that parties that disagree with the discontinuance of the Data Transfer Schedule may request the Commission to overrule or modify PECO's decision. PECO and EGSs will transmit data in accordance with existing EDI standards as adopted by the Commission's Electronic Data Exchange Working Group.

6. EGS Charges must be received by PECO Energy in accordance with the Data Transfer Schedule.

7. If EGS Charges are not received by PECO Energy in accordance with the Data Transfer Schedule, PECO Energy will not place the EGS Charges into the next billing cycle. The Customer's bill for the current billing period will state that the EGS Charges for the current billing period are not available. The remittance period for EGS charges will begin when EGS charges actually appear on the bill. Any transactions with EGS charges sent to PECO Energy after the time periods outlined in the Data Transfer Schedule will be rejected and the EGS will need to resubmit data the following month.

8. PECO Energy will collect Customer's payments and will process payments in accordance with the Commission's payment priority set forth in Docket No. M-00960890F.001 and Rule 17 of PECO's EDC Tariff.

9. PECO Energy will purchase the account receivable of each Consolidated EDC Billing Customer by paying the EGS for the amount owed for all undisputed Customer EGS Charges regardless of whether the Customer has paid PECO. The payment for the account receivable shall be without recourse and without discount, provided, however, that: (1) PECO shall discount the payment for any past due amounts related to an EGS's participation in a retail market enhancement program approved by the Commission at Docket No. P-2012-2283641; and (2) PECO shall discount the payment by an amount not to exceed 0.2% until it has recovered fifty percent of the implementation and ongoing costs of the Standard Offer Program approved by the Commission at Docket No. P-2012-2283641 that have not been otherwise recovered through fees paid by EGSs participating in the program. Upon termination of those programs, the Company shall refund any over recovery of implementation and ongoing costs. (C)

PECO Energy Company

ELECTRIC GENERATION SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19103

Issued: April 15, 2013

Effective: June 1, 2013

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ISSUED BY: C. L. Adams – President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19103

NOTICE.

Supplement No. 15 to
Tariff Electric Pa. P.U.C. No. 1S
Twelfth Revised Page No. 1A

PECO Energy Company Superseding Eleventh Revised Page No. 1A

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

EDC Consolidated Billing – 6th Revised Page No. 92

Reflects provisions for compliance with the Order at Docket No. P-2012-2283641
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PECO Energy Company

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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PETITION OF PECO ENERGY COMPANY :
FOR APPROVAL OF ITS DEFAULT : DOCKET NO. P-2012-2283641
SERVICE PROGRAM :**

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served copies of **PECO Energy Company's Third Revised Default Service Plan Compliance Filing** on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54.

VIA ELECTRONIC MAIL AND FIRST CLASS MAIL

Honorable Dennis J. Buckley
Administrative Law Judge
Office of Administrative Law Judge
400 North Street
P.O. Box 3265
Harrisburg, PA 17105
debuckley@pa.gov

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

Tanya J. McCloskey
Senior Assistant Consumer Advocate
Candis A. Tunilo
Christy M. Appleby
Assistant Consumer Advocates
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
tmccloskey@paoca.org
ctunilo@paoca.org
cappleby@paoca.org
cshoen@paoca.org

Elizabeth Rose Triscari
Assistant Small Business Advocate
Office of Small Business Advocate
300 North Second Street
Suite 1102
Harrisburg, PA 17101
etriscari@pa.gov

Carrie B. Wright
Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
Commerce Keystone Building
400 North Street, 2nd Floor
P.O. Box 3265
Harrisburg, PA 17105-3265
carwright@pa.gov

Daniel Clearfield
Deanne M. O'Dell
Edward Lanza
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
P.O. Box 1248
Harrisburg, PA 17101
dclearfield@eckertseamans.com
dodell@eckertseamans.com
elanza@eckertseamans.com
*Counsel for the Retail Energy Supply Association
and Direct Energy Services, LLC*

Thu B. Tran
Robert W. Ballenger
George D. Gould
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102
ttran@clsphila.org
rballenger@clsphila.org
ggould@clsphila.org
Counsel for TURN et al.

Brian J. Knipe
FirstEnergy Service Company
76 S. Main Street
Akron, OH 44308
bknipe@firstenergycorp.com
Counsel for FirstEnergy Solutions Corp., LLC

Todd S. Stewart
Hawke McKeon & Sniscak LLP
P.O. Box 1778
100 N. Tenth Street
Harrisburg, PA 17105-1778
tsstewart@hmslegal.com
*Counsel for Dominion Retail, Inc. and
Interstate Gas Supply, Inc.*

Tori L. Giesler
FirstEnergy Service Company
2800 Pottsville Pike
P.O. Box 16001
Reading, PA 19612-6001
tgiesler@firstenergycorp.com
*Counsel for Metropolitan Edison Company,
Pennsylvania Electric Company,
Pennsylvania Power Company, and West
Penn Power Company*

Jeffrey J. Norton
Carl R. Shultz
Eckert Seamans Cherin & Mellott, LLC
213 Market Street, 8th Floor
P.O. Box 1248
Harrisburg, PA 17101
jnorton@eckertseamans.com
cshultz@eckertseamans.com
*Counsel for Green Mountain Energy
Company and ChoosePAWind*

Divesh Gupta
Managing Counsel - Regulatory
Constellation Energy
100 Constellation Way, Suite 500C
Baltimore, MD 21202
divesh.gupta@constellation.com
Counsel for Constellation Energy

Charis Mincavage
Adeolu A. Bakare
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
cmincavage@mwn.com
abakare@mwn.com
lcharlet@mwn.com
lhuff@mwn.com
*Counsel for the Philadelphia Area Industrial
Energy Users Group*

Amy M. Klodowski
FirstEnergy Solutions Corp.
800 Cabin Hill Drive
Greensburg, PA 15601
aklodow@firstenergycorp.com
Counsel for FirstEnergy Solutions Corp.

Charles E. Thomas, III
Thomas, Long, Niesen & Kennard
212 Locust Street
P.O. Box 9500
Harrisburg, PA 17108-9500
cet3@thomaslonglaw.com
bmerola@noblesolutions.com
Counsel for Noble Americas Energy Solutions LLC

Patrick M. Cicero
Harry S. Geller
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@palegalaid.net
*Coalition for Affordable Utility Services
and Energy Efficiency in Pennsylvania*

Stephen L. Huntoon
David Applebaum
NextEra Energy Resources, LLC
801 Pennsylvania Avenue, N.W., Suite 220
Washington, D.C. 20001
shuntoon@nexteraenergy.com
david.applebaum@nexteraenergy.com
Counsel for NextEra Energy Resources

Scott H. DeBroff
Alicia R. Duke
Rhoads & Sinon, LLP
One South Market Square, 12th Floor
P.O. Box 1146
Harrisburg, PA 17108-1146
sdebroff@rhoads-sinon.com
aduke@rhoads-sinon.com
*Counsel for Washington Gas Energy
Services, Inc.*

Jodi S. Larison
Senior Manager, Business Development
UGI Energy Services, Inc.
One Meridian Boulevard, Suite 2C01
Wyomissing, PA 19610
jarison@ugies.com
Counsel for UGI Energy Services, Inc.

David I. Fein
Vice President, State Government Affairs - East
Exelon Corporation
10 S. Dearborn Street
47th Floor
Chicago, Illinois 60603
david.fein@exeloncorp.com
Counsel for Constellation Energy

Amy E. Hamilton
Director, Public Policy
Exelon Generation Company
300 Exelon Way
Kennett Square, PA 19348
amy.hamilton@exeloncorp.com
*Counsel for Exelon Generation Co., LLC
and Exelon Energy Company*

Melanie J. Elatieh
UGI Corporation
460 North Gulph Road
King of Prussia, PA 19406
elatiehm@ugicorp.com
Counsel for UGI Energy Services, Inc.

Telemac N. Chryssikos
Washington Gas Energy Services, Inc
101 Constitution Avenue, N.W., Room 319
Washington, D.C. 20080
tchryssikos@washgas.com
*Counsel for Washington Gas Energy
Services, Inc.*

Thomas McCann Mullooly
Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, WI 53202
tmullooly@foley.com
sdzieminski@foley.com
*Counsel for Exelon Generation Co., LLC
and Exelon Energy Company*

Melanie Santiago-Mosier
Washington Gas Energy Services, Inc
13865 Sunrise Valley Drive, Suite 200
Herndon, VA 20171
mmosier@wges.com
*Counsel for Washington Gas Energy
Services, Inc.*

Andrew S. Tubbs
Post & Schell, P.C.
17 North Second Street, 12th Floor
Harrisburg, PA 17101-1601
atubbs@postschell.com
Counsel for PPL Energy Plus, LLC

Jesse A. Dillon
PPL Services Corporation
Office of General Counsel
Two North Ninth Street
Allentown, PA 18106
jadillon@pplweb.com
Counsel for PPL Energy Plus, LLC

Richard Hahn
Douglas Smith
Dan Koehler
La Capra Associates
One Washington Mall, 9th Floor
Boston, MA 02108
rhahn@lacapra.com
dkoehler@lacapra.com
das@lacapra.com

Brian Kalcic
Excel Consulting
Suite 702-T
225 S. Meramec Avenue
St. Louis, MO 63105
excel.consulting@sbcglobal.net

Barbara Alexander
Consumer Affairs Consultant
83 Wedgewood Drive
Winthrop, ME 04364
barbalex@ctel.net



Romulo L. Diaz, Jr., Esquire (No. No. 88795)
Anthony E. Gay, Esquire (Pa. No. 74624)
Jack R. Garfinkle, Esquire (Pa. No. 81892)
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699
Phone: 215.841.4635
Fax: 215.568.3389
E-mail: romulo.diaz@exeloncorp.com

Thomas P. Gadsden, Esquire (Pa. No. 28478)
Kenneth M. Kulak, Esquire (Pa. No. 75509)
Brooke E. McGlinn, Esquire (Pa. No. 204918)
Catherine G. Vasudevan, Esquire (Pa. No. 210254)
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Phone: 215.963.5234
Fax: 215.963.5001
E-mail: tgadsden@morganlewis.com

Counsel for PECO Energy Company

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