



An Exelon Company

Richard G. Webster, Jr.
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PECO
Regulatory Policy and Strategy
2301 Market Street
S15
Philadelphia, PA 19103

September 30, 2016

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

Re: PECO Gas Purchase of Receivables Discount Factors Revision
Supplement No. 16 to PECO's Gas Choice Supplier Coordination Tariff No. 1S
Issued September 30, 2016 and Effective December 1, 2016
Docket No. M-2015-2468991

Dear Secretary Chiavetta:

PECO Energy encloses for filing with the Commission Supplement No. 16 to Gas Tariff No. 1S, PECO's Gas Choice Supplier Coordination Tariff issued September 30, 2016 and effective December 1, 2016.

The purpose of the filing is to revise the Gas Purchase of Receivables ("POR") discount factors to be in compliance with the final order entered June 30, 2016 at Docket No. M-2015-2468991, Natural Gas Distribution Company Customer Account Number Access Mechanism for Natural Gas Suppliers. The Gas POR discount factors will be revised by an increase of 0.52% to reflect 50% cost recovery of the implementation and maintenance costs for the mechanism. Note, per the Final Order the other 50% of these costs will be recovered through the Purchased Gas Cost Adjustment. Subsequently, effective December 1, 2016 the Gas POR discount factors will be set at 1.59% for Rates GR and CAP, 0.82% for Rates GC and the Excess Off-Peak Rider and 0.52% for Rates OL, L and MV-F.

Included as part of this filing are:

Attachment 1 - The development of the additional 0.52% POR discount factor for the gas account number access mechanism and the updated total Gas POR discount factors.

Attachment 2 - Clean and redline copies of PECO's Gas Choice Supplier Coordination Tariff reflecting the updated Gas POR discount factors.

PECO notified all active NGSs in its service territory on August 25, 2016 via an Electric and Gas Choice Communication Bulletin of the availability of the Gas Account Number Lookup functionality.

PECO will notify all active NGSs in its service territory via an Electric and Gas Choice Communication Bulletin that it will revise the Gas POR discount factors to be effective on December 1, 2016.

Sincerely,

Richard G. Webster, Jr. /RAS

CC: C. Walker-Davis, Director, Office of Special Assistants
P. T. Diskin, Director, Bureau of Technical Utility Services
D. P. Hosler, Director, Bureau of Audits
R. A. Kanaskie, Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick

I. DEVELOPMENT OF GAS ACCOUNT NUMBER LOOKUP PORTION OF POR DISCOUNT RATE

Total Cost	\$422,499	Attachment 1, page 2 of 2
50% to Gas POR Discount	<u>50%</u>	
Cost Recovery to Gas POR Discount	\$211,250	
Supplier Revenues for the twelve months ended August 2016	\$40,602,111	Attachment 1, page 2 of 2
Gas Account Number Lookup POR Discount Rate	0.52%	

II. TOTAL GAS POR DISCOUNT RATE

	<u>Rates GR and CAP</u>	<u>Rates GC and the Excess Off-Peak Use Rider</u>	<u>Rates OL, L and MV-F</u>
Current POR Discount Rate	1.07%	0.30%	0.00%
Gas Account Number Lookup POR Discount Rate from above	<u>0.52%</u>	<u>0.52%</u>	<u>0.52%</u>
Total Gas POR Discount Rate	1.59%	0.82%	0.52%

I. Total Cost

	<u>Capital</u>	<u>Expense</u>	<u>Total</u>
Vendor Support	\$105,120	\$0	\$105,120
Contractor Labor-PECO IT	\$197,047	\$76,026	\$273,073
Internal Labor-PECO IT	\$14,751	\$12,233	\$26,984
Contractor Labor-PECO	<u>\$17,322</u>	<u>\$0</u>	<u>\$17,322</u>
Total	\$334,240	\$88,259	\$422,499

II. Supplier Revenues for the Twelve Months Ended August 2016

Supplier 1	\$8,051
Supplier 2	\$49,187
Supplier 3	\$776,740
Supplier 4	\$402,175
Supplier 5	\$6,427
Supplier 6	\$3,387,322
Supplier 7	\$1,471,508
Supplier 8	\$2,217,558
Supplier 9	\$72,995
Supplier 10	\$301,812
Supplier 11	\$3,604,972
Supplier 12	\$139
Supplier 13	\$43,867
Supplier 14	\$618,907
Supplier 15	\$1,176,514
Supplier 16	\$624,422
Supplier 17	\$1,910,712
Supplier 18	\$688,461
Supplier 19	\$9,831
Supplier 20	\$309,120
Supplier 21	\$469,124
Supplier 22	\$24,113
Supplier 23	\$196,735
Supplier 24	\$43,442
Supplier 25	\$61,417
Supplier 26	\$3,260,281
Supplier 27	\$655,004
Supplier 28	\$323,993
Supplier 29	\$2,311,800
Supplier 30	\$357,978
Supplier 31	\$38,865
Supplier 32	\$4,867,238
Supplier 33	\$1,727,530
Supplier 34	\$4,757,604
Supplier 35	\$160,022
Supplier 36	\$322,351
Supplier 37	\$620,731
Supplier 38	\$1,418,935
Supplier 39	\$1,227,197
Supplier 40	<u>\$77,032</u>
Grand Total	\$40,602,111

Attachment 2

PECO Energy Company

GAS CHOICE SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

Issued: September 30, 2016

Effective: December 1, 2016

ISSUED BY:
Craig L. Adams, President & CEO
PECO Energy Distribution Company
2301 Market Street
Philadelphia, PA. 19103

NOTICE.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Billing Service Options/Purchase of Receivables Program – 4th Revised Page No. 34.

Revised to reflect updated Purchase of Receivables discount rates in accordance with the Final Order at Docket No. M-2015-2468991, Natural Gas Distribution Company Customer Account Number Access Mechanism for Natural Gas Supplier.

Billing Service Options / Purchase of Receivables Program (continued)

- g. The Company will collect and process LVT Customer's payments in accordance with Section 2205 (c)(5) of the Competition Act and the Commission's applicable payment priority requirements.
- h. The Company will purchase each LVT Customer's accounts receivable, without recourse and without discount, provided, however, that PECO shall discount the payment by 2.07% for Rates GR and CAP, 1.30% for Rates GC and the Excess Off-Peak Use Rider and 1.00% for Rates OL, L and MV-F consistent with the partial settlement agreement and the Commission's final order in Docket No. P-2009-2143588 and the final order in Docket No. P-2012-2328614. Effective July 27, 2015 the discount was set at 1.07% for Rates GR and CAP, 0.30% for Rates GC and the Excess Off-Peak Use Rider and 0.00% for Rates OL, L, and MV-F as a result of the completion of recovery of implementation costs for the Purchase of Receivables Program allowed at Docket No. P-2009-2143588. Effective December 1, 2016 the discount is set at 1.59% for Rates GR and CAP, 0.82% for Rates GC and the Excess Off-Peak Use Rider and 0.52% for Rates OL, L and MV-F as a result of the Commission's final order in Docket No. M-2015-2468991 and the final order in Docket No. P-2012-2328614. PECO will pay the Supplier for amounts owed for all undisputed Supplier charges for basic gas supply services, regardless of whether the customer has paid the Company. Subject to the provisions of the partial settlement agreement and the Commission's final order in Docket No. P-2009-2143588, an amount is deemed disputed if the customer contacts the Company questioning the charges on the bill and he/she does not agree with the position of the Company or the Supplier regarding the amount due for Supplier charges. If the Supplier charges are not in dispute, the Company will remit all applicable monies due the Supplier, even if the Company's portion of the bill is disputed. A customer's claim of the inability to pay shall not constitute a dispute for purposes of the Company's obligation to pay the Supplier its undisputed charges. The ownership of each LVT Customer's accounts receivable will transfer from the Supplier to the Company upon payment to the Supplier for the receivable. (C)
- i. The Company will pay the Supplier in accordance with the following schedule:
- The Company will send the Supplier the amount of its undisputed Supplier Charges within 40 calendar days from the date of the electronic transmission of the Supplier Charges. If the 40th day falls on a weekend, a PECO holiday, or a bank holiday, the Supplier payment will occur on the next business day.
 - Payment will not be made to the Supplier when Supplier Charges are not received by the Company within the specified time period, as explained in paragraph (d) above. Payment for these charges will be made according to the applicable schedule in the following month, if they are received within the appropriate time period along with the current month charges.
 - The Company will make payments of funds payable to the Supplier by Automatic Clearing House ("ACH") with remittance advice to a bank designated by the Supplier.
- j. The Company may purchase accounts receivable based upon an estimated bill. The Company shall add or deduct from any future payments due to the Supplier amounts that may result from reconciliations, adjustments, or recalculations, estimated readings, cancel and rebills, or any applicable billing adjustment.
- k. Upon request, a Supplier shall provide a written certification to the Company that the Supplier is providing only basic gas supply to LVT Customers billed under Consolidated NGDC Billing. Basic gas supply does not include a non-gas supply product (e.g., service contract for appliances, or payment for usage reductions), or carbon-neutral products not tied to the actual provision of natural gas to customers (e.g., carbon offsets derived from forestry programs), or security deposits assessed by an NGS. For residential customers, basic gas supply shall also not include early contract cancellation fees or late fees.

(C) Denotes Change

Supplement No. 16 to
Tariff Gas No. 1S

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PECO Energy Company

GAS CHOICE SUPPLIER COORDINATION TARIFF

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

Issued: ~~September 30, 2016~~

Effective: ~~December 1, 2016~~

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ISSUED BY:
Craig L. Adams, President & CEO
PECO Energy Distribution Company
2301 Market Street
Philadelphia, PA. 19103

NOTICE.

PECO Energy Company
Supplement No. 16 To
Tariff Gas PaPUC No. 1S
Sixteenth Revised Page No. 1A
Superseding Fifteenth Revised Page No. 1A

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Billing Service Options/Purchase of Receivables Program - 4th Revised Page No. 34.

Revised to reflect updated Purchase of Receivables discount rates in accordance with the Final Order at Docket No. M-2015-2468991, Natural Gas Distribution Company Customer Account Number Access Mechanism for Natural Gas Supplier.

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Added reference to Section 18 - Delivered Service Option and page number.¶
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Billing Service Options / Purchase of Receivables Program (continued)

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