

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

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**ISSUED BY: D. P. O'Brien – President
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101**

NOTICE.

PECO Energy Company

LIST OF CHANGES MADE BY THIS SUPPLEMENT

PROVISION FOR THE RECOVERY OF MITIGATION COSTS - Original Page 34 E
Provision is added.

APPLICABILITY INDEX OF RIDERS - 13th Revised Page No. 65
Voluntary Market Rate Phase In Rider is added

VOLUNTARY MARKET RATE PHASE IN RIDER - Original Page No. 96C
Rider is added

TABLE OF CONTENTS

List of Communities Served.....	4
How to Use Loose-Leaf Tariff.....	5
Definition of Terms and Explanation of Abbreviations.....	6 ¹ ,7 ² ,8,9 ²
RULES AND REGULATIONS:	
1. The Tariff.....	10 ¹²
2. Service Limitations.....	10 ¹²
3. Customer's Installation.....	11 ³
4. Application for Service.....	12 ²
5. Credit.....	13 ²
6. Private-Property Construction.....	14 ²
7. Extensions.....	15 ²
8. Rights-of-Way.....	16 ²
9. Introduction of Service.....	17 ²
10. Company Equipment on Customer's Premises.....	17 ²
11. Tariff and Contract Options.....	18 ³
12. Service Continuity.....	18 ³ ,19 ²
13. Customer's Use of Service.....	20 ¹
14. Metering.....	20 ¹
15. Demand Determination.....	21 ³
16. Meter Tests.....	22 ³
17. Billing and Standard Payment Options.....	22 ³ ,23 ³
18. Payment Terms & Termination of Service.....	24 ²
19. Unfulfilled Contracts.....	24 ²
20. Cancellation by Customer.....	25 ²
21. General.....	26 ³
22. Direct Access Phase-In Procedures.....	26 ³
23. EGS Switching.....	27 ²
24. Load Data Exchange.....	28
STATE TAX ADJUSTMENT CLAUSE.....	28 ¹²
COMPETITIVE TRANSITION CHARGE (CTC).....	30 ³ ,31 ²
NET SECURITIZATION ADJUSTMENT.....	32 ¹⁵
NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA).....	33 ²
UNIVERSAL SERVICE FUND CHARGE (USFC).....	34 ²
RESIDENTIAL REAL-TIME PRICING CHARGE (RRTPC).....	34C
Provision for the Recovery of Energy Efficiency and Demand Response.....	34D
Provision for the Recovery of Mitigation Costs.....	34E
RATES:	
Rate R Residence Service.....	35 ²⁰ ,36 ¹⁰
Rate RT Residence Time-of-Use Service.....	37 ²² ,38 ²
Rate R-H Residential Heating Service.....	39 ²³ ,40 ¹
Rate RS-2.....	40A ¹ ,40B ¹
Rate CAP Customer Assistance Program.....	41 ¹⁴ ,42 ²
Rate OP Off-Peak Service.....	43 ²³
Rate R-S Renewable Energy Service.....	44 ³ ,44A
Rate RRTP Residential Real Time Pricing.....	44B,44C
Rate GS General Service.....	45 ¹² ,46 ¹³ ,47 ¹⁴
Rate PD Primary-Distribution Power.....	48 ¹⁶
Rate HT High-Tension Power.....	49 ¹⁷ ,50 ¹
Rate POL Private Outdoor Lighting.....	51 ¹⁴ ,52 ²
Rate SL-P Street Lighting in City of Philadelphia.....	53 ¹² ,54 ¹ ,55 ¹
Rate SL-S Street Lighting-Suburban Counties.....	56 ¹⁴ ,57 ¹
Rate SL-E Street Lighting Customer-Owned Facilities.....	58 ¹¹ ,59
Rate TL Traffic Lighting Service.....	60 ¹⁰
Rate BLI Borderline Interchange Service.....	61
Rate EP Electric Propulsion.....	62 ¹² ,63
Rate AL Alley Lighting in City of Philadelphia.....	64 ¹⁰
RIDERS:	
Applicability Index of Riders.....	65 ¹³
Auxiliary Service Rider.....	66 ² ,67 ¹¹ ,68 ¹
CAP Rider - Customer Assistance Program.....	68A ⁵ ,68B ⁵ ,68C ⁴ ,68D ⁴
Capacity Reservation Rider.....	69
Casualty Rider.....	70
Competitive Default Service.....	70A ²
Construction Rider.....	71
Cooling Thermal Storage HT Rider.....	72 ²
Curtainment HT Rider.....	73 ⁷
Economic Efficiency Rider (EER).....	74 ¹ ,75

PECO Energy Company

Emergency Energy Conservation Rider.....	76 ¹
Employment and Economic Recovery Rider.....	77 ⁷ , 78 ² , 79 ¹²
Incremental Process Rider (IPR).....	80 ¹ , 81 ¹
Interruptible Rider 1 (IR-1).....	82 ¹ , 83 ¹ , 84 ¹
Interruptible Rider 2 (IR-2).....	84A ³ , 84B ²
Investment Return Guarantee Rider.....	85
Keystone Opportunity Zone Rider.....	85A ²
Large Interruptible Load Rider.....	86 ¹ , 87 ⁸ , 88
Night Service GS Rider.....	89 ⁸
Night Service HT Rider.....	90 ⁸
Night Service PD Rider.....	91 ⁸
Off-Peak Rider.....	92 ¹
Receivership Rider.....	93
Residential Direct Load Control Program Rider.....	93A, 93B, 93C
Seasonal Capacity Charge Service Rider.....	94 ¹²
Temporary Service Rider.....	95
Transformer Rental Rider.....	96 ¹
Suburban Street Lighting Rider.....	96A ¹⁰
Wind Energy Service Rider.....	96B ³
Voluntary Market Rate Phase In Rider.....	96C
INTERIM CODE OF CONDUCT.....	97 ² , 98 ²
TRANSMISSION CHARGES.....	99 ⁴ , 100 ⁸ , 101 ⁸ , 102 ²

PROVISION FOR THE RECOVERY OF MITIGATION COSTS

(C)

Purpose: The purpose of this surcharge is to provide for full and current cost recovery of expenditures associated with the Company's proposed mitigation plan for the transition to a competitive energy market. The proposed mitigation plan has two components that shall be included in this surcharge for recovery. They are 1) consumer education cost, 2) Voluntary Market Rate Transition Phase-in Rider and Voluntary Market Rate Transition Deferral Rider costs.

Applicability: The surcharge shall be a per customer charge calculated to the nearest one cent, which shall be added to the fixed distribution rates for billing purposes for all customers. The rate shall be calculated separately for each procurement class

Billing Provisions: The surcharge shall be calculated on an annual basis using the following formula:

$MC(n) = (C+E+I)/R(n)$ where;

C – the cost of the mitigation programs, which includes the following for each mitigation plan

Consumer Education Costs – The incremental cost of programs designed to educate consumers regarding the coming transition to a competitive market such as advertising, customer notices, informational materials cost, and any other incremental cost associated with educating consumers about the market and about available mitigation programs offered by the Company less any cost covered by the Company's Paragraph 37 Funds.

Phase-In and Deferral Costs – These costs include the cost (capital and expense) of modifying the billing system to handle the proposed phase-ins, enrollment cost for the programs, and any other implementation costs of the program excluding the interest earned or paid on the phase-in or deferral, education costs included in Consumer Education costs above, and the recovery of any deferred revenue except in the case of a customer that leaves the service territory and does not pay the deferral balance. Recovery of capital cost shall include a return on the capital and a return of the capital (depreciation).

$MC(n)$ = mitigation cost per customer for procurement class n including over/(under) recovery and associated interest

E – The estimated over or under recovery from the prior year. The reconciliation period shall be the 12 months ended December 31

I – Interest on any over or under recovery balance. Interest shall be a rate of 6% and shall be calculated from the month of over or under collection to the mid-point of the recovery period.

n – procurement class where 1 = residential, 2 = C&I up to 100kw, 3 = C&I from 100-500kw, and 4 = C&I >500kw

R – The total delivery service customers for the procurement class for the application period where the application period shall be the 12-month period commencing on the January 1 after the reconciliation period

Filing Schedule: The estimated surcharge shall be filed by February 1 of each year to be effective on the following April 1. The application period shall be the 12 months that start the April 1 effective date of the surcharge. The Bureau of Audits shall audit the data in the surcharge on an annual basis

(C) Indicates Change

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APPLICABILITY INDEX OF RIDERS
 Introductory Statement

Customers under different rates of this Tariff frequently desire services or present situations and conditions of supply which require special supply terms, charges or guarantees or which warrant modification of the amount or method of charge from the prices set forth in the Base Rate under which they are provided service. Modifications for such conditions are defined by rider provisions included as a part of this Tariff. Riders may be employed when applicable, with or without signed agreement between the customer and the Company as the case may require, notwithstanding anything to the contrary contained in the Base Rate to which the rider is applied.

Riders	Page No.	R	RT	RH	RS	OP	GS	PD	HT	POL	SL-P	SL-S	SL-E	EP	BLI	AL	TL
Auxiliary Service	66	X	X	X	X	X	X	X	X								
CAP Rider	68A-68D	X		X													
Capacity Reservation	69								X								
Casualty	70	X	X	X	X	X	X	X	X					X			
Construction	71							X	X					X			
Cooling Therm. Storage HT	72								X								
Curtailment HT	73								[5]								
Economic Efficiency	74						X		X								
Emergency Energy Conservation	76								X					X			
Employment & Economic Recovery	77						[3]	X	X								
Incremental Process	80						X	X	X								
IR - 1	82								X								
IR - 2	84A						X	X	X								
Investment Return Guarantee	85						X	X	X								
Keystone Opportunity Zone Rider	85A						X	X	X								
L.L.R.	86								[4]					[4]			
Night Service GS	89						X										
Night Service HT	90								X					X			
Night Service PD	91							X									
Off-Peak	92							[2]	[2]								
Receivership	93	X	X	X	X	X	X	X	X								
Residential Direct Load Control	93A-C	X	X	X	X	X											
Seasonal Capacity Charge	94								X								
Temporary Service	95	X		X	X	X	X	X	X								
Transformer Rental	96							[1]	[1]								
SL-E ^(M)	96A																
Wind Energy Service	96B	X		X			X	X	X					X			
Voluntary Market Phase-In Rider	96C	X	X	X		X	X	X	X	X	X	X	X			X	X

NOTES:
 [1] Rider restricted to customers served prior to October 15, 1983.
 [2] Rider restricted to customers served as of October 6, 1972.
 [3] Effective June 3, 1985 this rider is available under Rate GS, but only when the qualifying or new service location is in an Enterprise Development Area as described in Title 12, Chapter 121 of the Pennsylvania Code.
 [4] Rider restricted to customers under contract on December 1, 1986.
 [5] Rider restricted to customers under contract on January 1, 1999.
 [6] Rider restricted to qualified governmental agencies and community associations that were served under Base Rate SL-E as of 7/8/99.

(C) Indicates Change

VOLUNTARY MARKET RATE PHASE IN RIDER

(C)

Purpose: The purpose of this Rider is to provide a tool for customers to mitigate the impact of the move to market based rates for energy and capacity. This Rider which shall be applied to the bills of customers that opt in to the program by notifying the Company, shall provide a methodology for the customer to pay earlier and smooth out any post 2010 rate increase. The amounts paid in advance by customers will earn six percent interest and shall be given back to customers as bill credits in the 2011-2013 period.

Applicability: This Rider shall be applicable to all customers choosing to participate in the program by notifying the Company in writing at least 30 days prior to the start of the program. Customers with peak registered demands of over 500kW, CAP customers and customers more than 30 days in arrears are not eligible for the program.

Billing Provisions: The following surcharges shall apply to each kWh for the customers in the specific classes listed below:

	<u>2009</u>	<u>2010</u>
Rate R	\$0.0053	\$0.0107
Rate RT	\$0.0053	\$0.0107
Rate RH	\$0.0049	\$0.0101
Rate OP	\$0.0049	\$0.0101
Rate GS	\$0.0030	\$0.0061
Rate HT	\$0.0063	\$0.0131
Rate PD	\$0.0041	\$0.0084
Rate SLS,SLE,SLP,AL	\$0.0088	\$0.0180
Rate POL	\$0.0088	\$0.0180
Rate TL	\$0.0088	\$0.0180

Starting in 2011 the following factors shall be applied to the customers prepaid balance at December 31, 2010 in order to determine the monthly credit to be issued against the customers account. The factors were developed to refund the balance, with interest at 6% per annum, in such a manner that results in a gradual increase in the customer's bill.

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Rate R	0.05822	0.02911	x.xxxxx
Rate RT	0.05822	0.02911	x.xxxxx
Rate RH	0.03027	0.03027	0.03027
Rate OP	0.03027	0.03027	0.03027
Rate GS	0.05822	0.02911	x.xxxxx
Rate HT	0.05822	0.02911	x.xxxxx
Rate PD	0.05822	0.02911	x.xxxxx
Rate SLS,SLE,SLP,AL	0.05822	0.02911	x.xxxxx
Rate POL	0.05822	0.02911	x.xxxxx
Rate TL	0.05822	0.02911	x.xxxxx

Program Enrollment: The Company upon approval of a plan by the Public Utility Commission shall provide a 60-day window for customers to enroll in the program.

Withdrawal from Program: A customer may withdraw from the program at any time by providing the Company notice at least 15 days prior to the withdraw date. The withdrawal shall be effective on the first meter reading date after notice provided there are at least 10 days between meter reading date and notice date. Any remaining balance of the amount prepaid by the customer shall be returned to the customer in the first billing cycle after the withdrawal.

Removal from the Program: Customers with balances that become more than 30 days in arrears will be removed from the program. Customers transferring to a CAP rate shall also be removed from the program.

Tracking of Prepayments: The Company shall track each customer's prepayments and accrue a return of 6% per annum on the prepaid balance at the end of the month until the balance has been fully credited back to customers. The factors above applicable to 2011, 2012, and 2013 shall include the 6% interest.

Other Rates and Riders: The state tax adjustment charge and the universal service charge shall not apply to amounts collected or credited under this rider. Customers under this rider are not eligible for the Voluntary Market Rate Transition Deferral Rider.

(C) Indicates Change