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May 14, 2009

BY FEDERAL EXPRESS

Mr. James McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Dear Secretary McNulty:

Re: Tariff Electric – Pa. P.U.C. No. 3 Supplement No. 91 – Issued May 14, 2009
Effective August 12, 2009 – Implementing the Annual Adjustment of Intangible
Transition Charges (ITC) and Securitization Rate Reductions (SRR)

PECO encloses for filing with the Commission eight copies of Supplement No. 91 – Tariff Electric Pa. P.U.C. No. 3. This filing which is to become effective on August 12, 2009, is in accordance with the provisions of the Final Order concerning the Application of PECO for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al. at Docket Nos. R-00973953 and P-00971265 entered May 14, 1998 (“Final Order”) and the Order concerning the Application of a Qualified Rate Order at Docket No. R-00005030. The Company is making this filing in accordance with paragraph 10 of the Final Order at Docket No. R-00973953 and Paragraph 7 of the Order at Docket No. R-00005030 which provide for an Annual Adjustment of rates and a 90 day period in which the Commission has to approve such rates.

In accordance with the Orders and as indicated on the attached tariff page (16th revised page no. 32) the net effect of the ITC and SRR on the customer bills will be zero. Accordingly, Exhibit 1 contains a reconciliation of actual Intangible Transition Charges (ITC) billed and collected for the 12-month period ended April 2009. Exhibit 2 provides the ITC revenues necessary to amortize the transition bonds through August 2010.

Additionally, the tariff page is also being revised to clarify timing of potential ITC value changes in the final calendar year of collection (i.e. 2010). We have also provided a black line version of the tariff page for your convenience (Exhibit 3).

Please acknowledge receipt of the foregoing on the enclosed extra copy of this letter.

Sincerely,

cc: M. C. Lesney, Director, Bureau of Audits
J. E. Simms, Director, Office of Trial Staff
Office of Consumer Advocate
Office of Small Business Advocate
R. F. Wilson, Director, Fixed Utility Services

Enclosures
/amm

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued May 14, 2009

Effective: August 12, 2009

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

NOTICE.

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Net Securitization Adjustment (NSA)

In addition to the net charges provided for in this tariff, values as indicated in the table below will be applied to all service on their effective date.

The NSA is comprised of two separate factors, the Securitization Rate Reduction (SRR) and the Intangible Transition Charge (ITC), which will always net to zero in accordance with the terms of the Joint Petition for Full Settlement. The factors as described below will initially become effective on 10 days notice to the Commission. The SRR and ITC will be recalculated as follows:

- (1) Whenever new Transition Bonds are issued as evidenced by the issuance date of the bonds (effective on 10 days notice); (C)
- (2) Annually, to reconcile unamortized Qualified Transition Expense (QTE) principal balance (effective on 90 days notice); (C)
- (3) Quarterly or monthly if necessary in order to insure full recovery of ITC during the final calendar year of ITC collection (effective on 10 days notice). (C)

Securitization Rate Reduction (SRR)

The SRR is a credit to the Company's base rate charges, expressed as a percentage of such charges, reflecting a revenue requirement reduction arising from the Company's securitization of generation-related costs.

Intangible Transition Charge (ITC)

The ITC is a charge that is added to, and expressed as a percentage of, the Company's PaPUC jurisdictional base rate charges (i.e. distribution and CTC) reflecting the revenue requirement necessary to amortize the QTE principal balance. The ITC will be recalculated as follows:

Effective Rate Table

<u>Rate Class</u>	(a), (b) <u>SRR</u>	(a), (b) <u>ITC</u>	<u>NSA</u>
R	(32.25%)(d)	32.25%	0
RT	(32.25%)	32.25%	0
R-H	(36.64%)(d)	36.64%	0
OP	(9.73%)	9.73%	0
GS	(58.03%)	58.03%	0
PD	(63.12%)	63.12%	0
HT	(69.45%)(c)	69.45%(c)	0
POL	(7.48%)	7.48%	0
SL-P	(8.97%)	8.97%	0
SL-S	(12.98%)	12.98%	0
SL-E	(12.98%)	12.98%	0
TL	(50.54%)	50.54%	0
EP	(62.36%)	62.36%	0

- (a) Applied to Variable Distribution and Transition Charges, net of PA Gross Receipts Tax
- (b) Rate is modified for special contract customers with discounted CTC rates and customers on KOZ Rider and CAP A Rider.
- (c) Not applicable to on peak LILR.
- (d) Includes CAP Rates

(C) Indicates Change

PECO
ITC Receipts

Reconciliation Statement Through April 2009

Month	Residential			Commercial & Industrial			Difference
	Actual	Projected	Difference	Actual	Projected	Difference	
May-08	\$ 17,638,301	\$ 17,635,463	\$ 2,837	\$ 33,549,835	\$ 31,400,381	\$ 2,149,454	
Jun-08	\$ 16,671,161	\$ 16,275,962	\$ 395,199	\$ 31,429,731	\$ 32,568,505	\$ (1,138,774)	
Jul-08	\$ 26,126,664	\$ 17,901,433	\$ 8,225,231	\$ 39,174,853	\$ 35,121,116	\$ 4,053,737	
Aug-08	\$ 31,435,314	\$ 21,607,155	\$ 9,828,158	\$ 37,862,953	\$ 37,828,626	\$ 34,327	
Sep-08	\$ 27,446,641	\$ 22,639,732	\$ 4,806,909	\$ 45,282,508	\$ 41,812,901	\$ 3,469,607	
Oct-08	\$ 24,800,046	\$ 19,442,440	\$ 5,357,606	\$ 49,018,550	\$ 43,964,683	\$ 5,053,867	
Nov-08	\$ 15,498,175	\$ 16,073,067	\$ (574,892)	\$ 36,433,447	\$ 41,701,344	\$ (5,267,897)	
Dec-08	\$ 18,217,547	\$ 15,526,916	\$ 2,690,631	\$ 41,115,545	\$ 40,543,455	\$ 572,090	
Jan-09	\$ 21,085,266	\$ 18,149,310	\$ 2,935,955	\$ 40,109,893	\$ 42,213,310	\$ (2,103,418)	
Feb-09	\$ 22,028,135	\$ 20,735,906	\$ 1,292,229	\$ 38,154,178	\$ 43,059,210	\$ (4,905,032)	
Mar-09	\$ 21,875,914	\$ 20,120,323	\$ 1,755,591	\$ 43,632,980	\$ 43,499,399	\$ 133,581	
Apr-09	\$ 19,744,118	\$ 18,297,725	\$ 1,446,393	\$ 43,607,184	\$ 42,557,374	\$ 1,049,810	
Total	\$ 262,567,282	\$ 224,405,433	\$ 38,161,849	\$ 479,371,658	\$ 476,270,305	\$ 3,101,353	

PECO
ITC Billed

Reconciliation Statement Through April 2009

Month	Residential			Commercial & Industrial		
	Actual	Projected	Difference	Actual	Projected	Difference
May-08	\$ 15,328,792	\$ 15,543,567	\$ (214,776)	\$ 29,741,547	\$ 29,851,746	\$ (110,199)
Jun-08	\$ 22,632,832	\$ 17,619,777	\$ 5,013,055	\$ 36,392,156	\$ 35,209,912	\$ 1,182,244
Jul-08	\$ 33,479,651	\$ 24,073,872	\$ 9,405,778	\$ 39,685,437	\$ 37,065,922	\$ 2,619,515
Aug-08	\$ 31,226,971	\$ 25,695,331	\$ 5,531,640	\$ 44,124,120	\$ 40,222,651	\$ 3,901,469
Sep-08	\$ 25,411,852	\$ 19,803,790	\$ 5,608,061	\$ 47,315,756	\$ 46,037,370	\$ 1,278,385
Oct-08	\$ 17,841,467	\$ 15,025,060	\$ 2,816,407	\$ 47,760,012	\$ 42,963,776	\$ 4,796,236
Nov-08	\$ 15,359,686	\$ 15,054,134	\$ 305,552	\$ 34,482,078	\$ 39,155,788	\$ (4,673,710)
Dec-08	\$ 20,809,365	\$ 18,599,226	\$ 2,210,139	\$ 40,551,630	\$ 42,203,339	\$ (1,651,709)
Jan-09	\$ 24,365,845	\$ 24,620,796	\$ (254,951)	\$ 41,272,642	\$ 44,228,560	\$ (2,955,918)
Feb-09	\$ 21,393,811	\$ 21,252,968	\$ 140,843	\$ 40,946,078	\$ 43,291,418	\$ (2,345,340)
Mar-09	\$ 20,595,387	\$ 18,547,199	\$ 2,048,187	\$ 42,018,067	\$ 43,481,277	\$ (1,463,210)
Apr-09	\$ 17,490,315	\$ 17,367,332	\$ 122,983	\$ 40,476,630	\$ 41,274,471	\$ (797,841)
Total	\$ 265,935,972	\$ 233,203,052	\$ 32,732,920	\$ 484,766,153	\$ 484,986,231	\$ (220,077)

PECO
ITC Amortization Statement
9/01/08 - 8/31/09

Rate Class	(1) Allocated Bond Balance at Beginning of Period	(2) Fees/Expenses	(3) Interest	(4) Principal	(5) Reserve Account	(6) = (2)+(3)+(4)+(5) Total	7 = (1) - (4) Target Balance at End of Period 8/31/09
Residential	549,919,229	\$ 1,288,241	\$ 33,938,840	\$ 255,070,850	\$ (45,388,206)	\$ 244,909,724	294,848,379
Comm & Ind	<u>955,540,771</u>	<u>\$ 2,239,361</u>	<u>\$ 58,740,477</u>	<u>\$ 444,929,150</u>	<u>\$ 8,459,919</u>	<u>\$ 514,368,907</u>	<u>510,611,621</u>
Total	1,505,460,000	\$ 3,527,602	\$ 92,679,316	\$ 700,000,000	\$ (36,928,287)	\$ 759,278,631	805,460,000

PECO
ITC Amortization Statement
9/01/09 - 8/31/10

Rate Class	(1) Allocated Bond Balance at Beginning of Period	(2) Fees/Expenses	(3) Interest	(4) Principal	(5) Reserve Account	(6) = (2)+(3)+(4)+(5) Total	7 = (1) - (4) Target Balance at End of Period 8/31/10
Residential	\$ 294,848,379	\$ 622,784	\$ 14,426,041	\$ 294,848,379	\$ (20,457,697)	\$ 289,439,506	-
Comm & Ind	\$ 510,611,621	\$ 1,088,770	\$ 24,995,291	\$ 510,611,621	\$ 2,013,281	\$ 538,708,963	-
Total	\$ 805,460,000	\$ 1,711,554	\$ 39,421,332	\$ 805,460,000	\$ (18,444,417)	\$ 828,148,469	-

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~~(effective on 90 days notice)~~ (C)
- (3) Quarterly, or ~~if necessary~~ monthly, ~~if necessary~~ in order to insure full recovery of ITC during the final
 calendar year of ITC collection ~~(effective on 10 days notice)~~ . (C)

Securitization Rate Reduction (SRR)

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R-H	(36.6434.26%)(d)	36.64 34.26%	0
OP	(9.739.05%)	9.73 9.05%	0
GS	(58.0364.08%)	58.03 64.08%	0
PD	(63.1263.95%)	63.12 63.95%	0
HT	(69.4567.58%)(c)	69.45 67.58%(c)	0
POL	(7.487.63%)	7.48 7.63%	0
SL-P	(8.9740.83%)	8.97 40.83%	0
SL-S	(12.9842.45%)	12.9842.45%	0
SL-E	(12.9844.63%)	12.98 44.63%	0
TL	(50.5453.93%)	50.54 53.93%	0
EP	(62.3660.55%)	62.36 60.55%	0

- (a) Applied to Variable Distribution and Transition Charges, net of PA Gross Receipts Tax
- (b) Rate is modified for special contract customers with discounted CTC rates and customers on KOZ Rider and CAP A Rider.
- (c) Not applicable to on peak LILR.
- (d) Includes CAP Rates

(C) Indicates Change