

Proposed Changes to Electric Service Tariff No. 4 Supplement No. 2

Information furnished with the filing of rate changes under
52 Pa. Code, Section 53.52

(a) Applicable to changes in terms and conditions of service rendered.

(a)(1) The specific reason for each change.

The specific reasons for the rate increase are summarized in the Company's Statement of Reasons, which is included as part of the Company's filing.

(a)(2) The total number of customers served by the utility.

The total number of customers on PECO's system as of December 31, 2009 is 1,562,842.

(a)(3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

A breakdown of customers by tariff subdivision is provided below:

| <u>Rate</u> | <u>Customers</u> |
|-------------|----------------------------------|
| R | 1,242,270 |
| RH | 160,442 |
| OP | 81,235 (included in Residential) |
| GS | 155,942 |
| PD | 620 |
| HT | 2,483 |
| EP | 3 |
| SLP | 17 |
| SLS | 360 |
| SLE | 496 |
| POL | 2,994 (included in GS) |
| TL | 208 |
| AL | 1 |

(a)(4) The effect of the change on the utility's customers.

Refer to PECO Exhibit No.10, the direct testimony of Alan B. Cohn, and accompanying exhibits.

(a)(5) The effect, whether direct or indirect, of the proposed change on the utility's revenue and expenses.

The proposed changes will increase total revenue and total income tax expense.

(a)(6) The effect of the change on the service rendered by the utility.

The change will allow the Company to maintain and improve its safety, reliability and customer-service levels.

(a)(7) A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement as to why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of the tariff change seeking a general rate increase as defined in 66 Pa.C.S. Section 1308 (relating to voluntary changes in rates).

The changes being made to rate design are discussed in the direct testimony of Alan B. Cohn, PECO Statement No. 10. PECO Statement # 9, the direct testimony of Stephen R. Xander, discusses changes to the Universal Service Fund Charge and changes to the Rules and Regulations set forth in the proposed tariff.

(a)(8) Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of tariff change seeking a general rate increase defined in Pa.C.S. Section 1308.

No studies were undertaken.

(a)(9) Customer polls taken and other documents, which indicate customer acceptance and desire for the proposed change.

No customer polls were conducted.

(a)(10) Plans the utility has for introducing or implementing the changes with respect to its customers.

The Company plans to implement the changes upon approval by the Commission.

(a)(11) F.C.C., or FERC or Commission orders or rulings applicable to the filings.

No FERC or Commission orders or rulings are directly applicable. To the extent that any FERC or Commission order or ruling may be relevant, it is discussed in the direct testimony submitted as part of the Company's filing.

- (b) Applicable to changes in rates.**
- (b) (1) Specific reasons for each change**

Refer to the Company's Statement of Reasons included with this filing.

- (b) (2) Utility's operating income statement ending not more than 120 days prior to filing date- historic year**

Please refer to Exhibit RLO-1 and RLO-2, Schedules B-2 to B-5.

- (b) (3) Number of customers, by tariff subdivision, whose bills will be increased**

The Company expects bills to increase for the following customers:

| <u>Rate</u> | <u>Customers</u> |
|-------------|------------------|
| R | 1,242,270 |
| RH | 160,442 |
| GS | 155,942 |
| PD | 620 |
| HT | 2,483 |
| EP | 3 |
| TL | 208 |

- (b)(4) Total increases, in dollars, by tariff subdivision, projected to an annual basis**

Refer to PECO Statement No. 9, Exhibit ABC-2, for the requested information.

- (b)(5) Number of customers, by tariff subdivision, whose bills will be decreased**

The following customers may experience a slight decrease in their bills:

| <u>Rate</u> | <u>Customers</u> |
|-------------|------------------|
| SLP | 17 |
| SLS | 360 |
| SLE | 496 |
| AL | 1 |

- (b) (6) Total decreases, in dollars, by tariff subdivision, projected to an annual basis**

Refer to the response to part 5.

(c) Applicable to changes where increase for any tariff subdivision exceeds 3% of utility's operating revenue OR bills of more than 5% of customers will increase.

(c)(1) Rate of return for historic year and anticipated for future year.

Refer to Exhibits RLO-1 and RLO-2, Schedule A-1.

(c)(2) Detailed balance sheet at the end of the historic year.

Refer to Exhibits RLO-1 and RLO-2, Schedule B-1.

(c)(3) Summary, by detailed plant accounts, of book value of property of utility at end of historic year

Refer to Exhibits RLO-1,2 Schedule C-2.

(c)(4) Respective amount of the depreciation reserve applicable to each detailed plant account

Refer to Exhibits RLO-1,2 Schedule C-3.

(c)(5) Statement of operating income, setting forth the operating revenues and expenses by detailed accounts - historic year

Refer to Exhibits RLO-1 and RLO-2, Schedules B-2 to B-5.

(c)(6) Description of any major change in the operating or financial condition of utility occurring between the date of the balance sheet at end of the historic year and filing date

There have been no major changes since the date of the balance sheet. Refer to PECO Statement No. 2, the direct testimony of Phillip S. Barnett for a discussion of the Company's financial condition.