PECO Energy Company
Calculation of the Legacy Component of the Smart Meter Cost Recovery Charge
($1000)
Residential - Calcuation of Legacy Component of the Tariff

		Test Year	January	February	March	Total
(1) **Meter Cost**		$ 107,989	$ 108,066	$ 108,066	$ 108,066	
(2) **Accumulated Depreciation**		$ (45,866)	$ (46,383)	$ (46,901)	$ (47,419)	
(3) **ADIT - Meters**		$ (13,634)	$ (13,723)	$ (13,723)	$ (13,723)	
(4) **Meter-related Rate Base**	(1)+(2)+(3)	$ 48,489	$ 47,960	$ 47,442	$ 46,924	
(5) **Rate of Return on Rate Base**		8.95%	8.95%	8.95%	8.95%	
(6) **Return on Rate Base(a)**	(5)*(4)		$ 362	$ 358	$ 354	$ 1,073
(7) **Income tax gross-up(b)**	(5)*.324/(1-.324)		$ 173	$ 171	$ 170	$ 514
(8) **Return Component of Revenue Requirement**	(6)+(7)		$ 535	$ 529	$ 523	$ 1,588
(9) **Meter Reading(c)**		$ 9,816	$ 818	$ 818	$ 818	$ 2,454
(10) **Asset Use Fee(d)**		$ 11,907	$ 992	$ 992	$ 992	$ 2,977
(11) **Meter Depreciation Expense(e)**		$ 5,905	$ 518	$ 518	$ 518	$ 1,553
(12) **Expense Component of Revenue Requirement**	(9)+(10)+(11)	$ 27,628	$ 2,328	$ 2,328	$ 2,328	$ 6,984
(13) **Total Revenue Requirement(f)**	(8)+(12)		$ 2,863	$ 2,857	$ 2,851	$ 8,571
(14) **Total Revenue Requirement w/GRT(g)**	(13)/(1-.059)		$ 3,042	$ 3,036	$ 3,030	$ 9,109
(15) **Number of Customer Months**			1482820	1483120	1483420	4449360
(16) **Monthly Cost per Customer/Bill(8)**	(14)/(15)*1000					$ 2.05

(a) Rate of Return * Rate Base
(b) Based upon 32.4% effective tax rate in the electrci rate case
(c) Future charges will be based upon actual Cell Net fees
(d) Future charges will be based upon actual Cell Net fees
(e) Assumes a 10 year recovery of the net plant at December 31, 2010
Janaury 2011 = Net Plant /120 February 2011 = Net Plant/119
(f) Revenue requirement = Return Component plus Expense Component
(g) Based upon the most current GRT