



Richard G. Webster, Jr.
Director
Rates and Regulatory Affairs

Telephone 215.841.4000 ext 5777
Fax 215.841.6208
www.exeloncorp.com
dick.webster@exeloncorp.com

PECO Energy Company
2301 Market Street, S15
Philadelphia, PA 19103

Mail To: 8699
Philadelphia, PA 19101-8699

December 15, 2010

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

**SUBJECT: Generation Supply Adjustment (GSA) Monthly Adjustment for
 Procurement Class 4 – Hourly Pricing
 PECO Energy Company’s (PECO) Electric Tariff No. 4, Supplement No. 7
 Effective February 1, 2011**

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission an original and eight (8) copies of Supplement No. 7 to PECO’s Electric Tariff No. 4. This Supplement contains PECO’s monthly adjustment to the Generation Supply Adjustment (GSA) for Procurement Class 4 - Hourly Pricing effective February 1, 2011 through February 28, 2011. This filing is made in accordance with the tariff approved in PECO’s Default Service Provider Order at Docket No. P-2008-2062739.

The ancillary service charge, a component of the applicable rate, increases by 0.01cents/kWh for large commercial & industrial hourly pricing customers with loads greater than 500KW.

The following attachments are also included in support of this filing:

Attachment 1 - GSA Calculation for Procurement Class 4 Hourly Pricing – Large Commercial & Industrial over 500 KW;
Attachment 2 - Revised GSA Tariff for Procurement Class 4 Hourly Pricing – Large Commercial & Industrial over 500 KW

Please date-stamp the enclosed extra copy of this letter as proof of filing and return it in the envelope provided.

Rosemary Chiavetta, Secretary
December 15, 2010
Page 2

Thank you for your assistance in this matter and please direct any questions regarding the above to Richard Schlesinger, Manager, Retail Rates at (215) 841-5771.

Sincerely,



cc: C. Walker-Davis, Director, Office of Special Assistants
Robert Wilson, Director, Bureau of Fixed Utility Services
M. C. Lesney, Director, Bureau of Audits
J. E. Simms, Director, Office of Trial Staff
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick

RAS:amm

ATTACHMENT 1

PECO ENERGY COMPANY

**GSA CALCULATION FOR
PROCUREMENT CLASS 4 – HOURLY PRICING
LARGE COMMERCIAL & INDUSTRIAL OVER 500KW**

PECO Generation Supply Adjustment Rate-Procurement Class 4 Hourly (GSA 4 Hourly)
 Application Period: February 1, 2011 through February 28, 2011
 cents/kWh

	Amount	GSA Rate w/o GRT			Rate GS			Rate PD			Rate HT			Rate EP		
		Rate	w/o GRT	Incl. Line	w/o GRT	Incl. Line	Loss Ratio	w/o GRT	Incl. Line	Loss Ratio	w/o GRT	Incl. Line	Loss Ratio	w/o GRT	Incl. Line	Loss Ratio
AS Ancillary Services and Alternative Energy Portfolio Standards Factor																
-Ancillary Service and AEPS (a)	\$ 1,872,936	0.50	0.53	0.56	0.52	0.55	0.50	0.50	0.53	0.50	0.50	0.53	0.50	0.50	0.53	0.53
Total Ancillary Service Cost and Alternative Energy Portfolio Standards Factor	\$ 1,872,936	0.50	0.53	0.56	0.52	0.55	0.50	0.50	0.53	0.50	0.50	0.53	0.50	0.50	0.53	0.53
AC Administrative Cost Factor																
-Administrative Cost	\$ 86,320	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Total Administrative Service Cost	\$ 86,320	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Total E Factor Including Interest	\$ -	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Working Capital Adjustment																
Working Capital Adjustment (b)		0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Total Working Capital Adjustment		0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Total GSA Rate		0.56	0.59	0.62	0.58	0.61	0.56	0.56	0.59	0.56	0.56	0.59	0.56	0.56	0.59	0.59
S Sales for Application Period In kWh	377,438,170															
Gross Receipts Tax (GRT)	6.08%															

(a) Adjusted for overall line loss factor ratio
 (b) Based on Settlement at Docket No. R-2010-2161575

**PECO GSA 4 (Hourly) Ancillary Services and AEPS (AS Factor)
and Administrative Costs**

For the Period February 1, 2011 through February 28, 2011

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Administrative Cost (2)
Feb-11	\$1,872,936	\$86,320

PECO GSA 4 (Hourly) Default kWh Sales
For the Period February 1, 2011 through February 28, 2011

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh	Rate EP (a) kWh
Feb-11	377,438,170	51,373,711	4,963,264	321,101,195	0

(a) Assumes the two Rate EP customers will be shopping effective January 1, 2011.

ATTACHMENT 2

PECO ENERGY COMPANY

**REVISED GSA TARIFF FOR
PROCUREMENT CLASS 4 – HOURLY PRICING
LARGE COMMERCIAL & INDUSTRIAL OVER 500KW**

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued December 15, 2010

Effective February 1, 2011

**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

Generation Supply Adjustment for Procurement Class 4 Loads Great Than 500KW – 4th Revised
Page No. 33

Reflects monthly adjustment for Procurement Class 4 – Hourly Pricing pursuant to Order at Docket No. P-2008-2062739.

TABLE OF CONTENTS

List of Communities Served	4
How to Use Loose-Leaf Tariff	5
Definition of Terms and Explanation of Abbreviations.....	6,7,8,9
RULES AND REGULATIONS:	
1. The Tariff.....	10
2. Service Limitations	10
3. Customer's Installation.....	11
4. Application for Service.....	12
5. Credit	13
6. Private-Property Construction	14
7. Extensions.....	15,16
8. Rights-of-Way.....	17
9. Introduction of Service	18
10. Company Equipment on Customer's Premises	18
11. Tariff and Contract Options	19
12. Service Continuity.....	20
13. Customer's Use of Service.....	21
14. Metering	21
15. Demand Determination	22
16. Meter Tests	23
17. Billing and Standard Payment Options	24
18. Payment Terms & Termination of Service	25
19. Unfulfilled Contracts.....	25
20. Cancellation by Customer	26
21. General	27
22. Rules For Designation of Procurement Class	27
23. EGS Switching	28
24. Load Data Exchange	29
STATE TAX ADJUSTMENT CLAUSE	30
Generation Supply Adjustment Procurement Class 1, 2, 3.....	31 ³ , 32 ³
Generation Supply Adjustment Procurement Class 4.....	33 ⁴
Reconciliation.....	34 ²
Provision for Surcharge Recovery of Alternative Energy Portfolio Standard Costs.....	35 ² , 36 ²
NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA).....	37
Provisions for Recovery of UNIVERSAL SERVICE FUND CHARGE (USFC).....	38
Provisions for Recovery of SUPPLEMENTAL UNIVERSAL SERVICE FUND COSTS.....	39
Provision for The Recovery of Mitigation Plan Costs.....	40
RATES:	
Rate R Residence Service.....	41
Rate RT Residence Time-of-Use Service.....	42
Rate R-H Residential Heating Service	43
Rate RS-2 Net Metering	44, 45
Rate OP Off-Peak Service.....	46
Rate GS General Service	47, 48, 49
Rate PD Primary-Distribution Power	50
Rate HT High-Tension Power	51
Rate POL Private Outdoor Lighting.....	52, 53
Rate SL-P Street Lighting in City of Philadelphia.....	54, 55, 56
Rate SL-S Street Lighting-Suburban Counties	57, 58
Rate SL-E Street Lighting Customer-Owned Facilities.....	59, 60
Rate TL Traffic Lighting Service	61
Rate BLI Borderline Interchange Service	62
Rate EP Electric Propulsion.....	63
Rate AL Alley Lighting in City of Philadelphia	64
RIDERS:	
Applicability Index of Riders.....	65
Auxiliary Service Rider.....	66, 67, 68
CAP Rider - Customer Assistance Program.....	69, 70
Casualty Rider.....	71
Construction Rider.....	72
Cooling Thermal Storage HT Rider.....	73

**GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 4
 LOADS GREATER THAN 500KW**

Applicability: This adjustment shall apply to all customers taking default service from the Company with demands greater than 500kw.
Hourly Pricing Service

Pricing: The rates below shall include the cost of procuring power to serve the default service customers plus associated administrative expenses incurred in acquiring power and gaining regulatory approval of any procurement strategy and plan. The cost for this hourly service rate shall be as follows:

Generation Supply Cost (GSC) = (C+R+AS+AC-E)/(1-T)+WCA where;

C= The PJM day ahead hourly price multiplied by the customers usage in the hour summed up for all hours in the month

$$\sum \text{PJM}_{\text{DA}} \times \text{usage} / (1-\text{LL})$$

PJM_{DA} – PJM on day ahead hourly price.

Usage - electricity used by an end use customer.

R = The PJM reliability pricing model (RPM) charge for month for the customer. The RPM charge shall be the customers peak load contribution as established for PJM purposes multiplied by the current RPM monthly charge and the PJM established reserve margin adjustment.

PLC x (1+ RM) x P_{RPM} x Bill Days

PLC = peak load contribution

RM = reserve margin adjustment per PJM

P_{RPM} = capacity price per MW-day

AC = Administrative Cost - This includes an allocation of the cost of the auction or RFP monitor, consultants providing guidance on the development of the procurement strategy, legal fees incurred gaining approval of the plan, and any other costs associated with designing and implementing a procurement plan divided by the total default service sales and then multiplied by the customers usage for the month.

$$A / S \times \text{Usage}$$

A = administrative cost

S = Default service sales

AS = The cost, on a \$/MWH basis, of acquiring ancillary services from PJM and of complying with the Alternative Energy Portfolio Standard, multiplied by the customers usage for the month and divided by (1-LL). Congestion charges shall be included in this component. Ancillary services shall be those included in the Supply Master Agreement as being the responsibility of the supplier.

$$((\text{PJM}_{\text{AS}} \times \text{Usage} * 1 / (1-\text{LL}) + \text{AEPS} / \text{S}_{\text{AEPS}} \times \text{Usage})$$

PJM_{AS} = \$/MWH charged by PJM for ancillary services

AEPS = cost of complying with the alternative energy portfolio standard

S_{AEPS} = sales for which AEPS cost is incurred

If the supplier provides the ancillary services and AEPS cost then the customer shall be charged the supplier's rate for these services times usage and divided by (1-LL).

LL = line loss factor as provided in the Company's Electric Generation Supplier Coordination Tariff Rule 6.6 based upon the customers distribution rate class adjusted to remove losses included in the PJM LMP

T = The currently effective gross receipts tax rate

E - $\sum O / (U) / S_4 \times \text{usage}$ where

E = over/under recovery as calculated in the reconciliation

S₄ = Procurement class four sales

WC = 0.04¢/kWh for working capital associated with power purchases

WCA = individual customer sales x WC

Procedure: The "E" factor shall be updated monthly in conjunction with the Reconciliation

Tariff Rate	<u>GS</u>	<u>PD</u>	<u>HT</u>	<u>EP</u>
Hourly Pricing Adder* (cents/kWh)	0.62	0.61	0.59	0.59

(C)

* Includes administrative cost (AC), ancillary service charge (AS), E factor (E) and working capital (WC).

Fixed Price Contract

The Company shall provide a one-year fixed price contract option for customers who choose to participate in the program. Under the fixed price option the Company will issue an RFP for a fixed price full requirements contract for customers with loads greater than 500kw.

Customers must notify the Company in writing 30 days prior to the RFP of their interest and shall have 30 days from the time the final bid price is announced to sign up for the fixed price. Customers not signing up for the fixed price contract in the fixed price option shall default to hourly service. Customers taking the fixed price option are permitted to switch to a Competitive Supplier with appropriate notice to PECO consistent with Rule 23.4 but may only return to hourly service once they leave the fixed price product.

The fixed price contract rate shall be as follows:

$$\text{Rate} = \text{FP} / (1-\text{T}) / (1-\text{LL}) + A / S \times (1-\text{T}) + \text{WC} = \text{x.xxxx cents/kWh}$$

FP = fixed price offering

FP_{GS} = 8.99 cents kWh

FP_{PD} = 8.83 cents kWh

FP_{HT} = 8.48 cents kWh

FP_{EP} = 8.48 cents kWh

(C) Denotes Change