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April 1, 2011

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

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

**SUBJECT: Alternative Energy Portfolio Standards (AEPS) First Annual Adjustment
PECO Energy Electric Tariff No. 4, Supplement No. 14
Effective June 1, 2011**

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission eight (8) copies of Supplement No. 14 to PECO Energy's Electric Tariff No. 4. This Supplement contains PECO's first annual adjustment to the Alternative Energy Portfolio Standards "AEPS" Surcharge effective June 1, 2011. This filing is being made in accordance with PECO's Tariff approved as part of the Opinion and Order from PECO Energy's Petition for Approval of a Process to Procure Alternative Energy Credits during the AEPS Banking Period and a Section 1307 Surcharge and Tariff to Recover AEPS Costs at Docket No. P-00072260. This filing also reflects an increase to the overall RCC recovery due to the inclusion of actual costs which replaced the estimated costs that were used in the first filing (October 20) for October, November, and December of 2010.

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

- Attachment 1 - AEPS Calculation for Procurement Class 1 - Residential;
- Attachment 2 - AEPS Calculation for Procurement Class 2 - Small Commercial & Industrial up to 100 kW;
- Attachment 3 - AEPS Calculation for Procurement Class 3 - Medium Commercial & Industrial 101 kW to 500 kW;
- Attachment 4 - AEPS Calculation for Procurement Class 4 - Large Commercial & Industrial over 500 kW
- Attachment 5 - Revised Tariff pages (AEPS and CAP)

Rosemary Chiavetta, Secretary
April 1, 2011
Page 2

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

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,

Richard G. Webster, Jr. (RAS)

cc: C. Walker-Davis, Director, Office of Special Assistants
R. F. 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
AEPS
CALCULATION FOR PROCUREMENT CLASS 1
RESIDENTIAL**

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO - Electric
2011 AEPS Annual Reconciliation
June 2011 to May 2012

Procurement Class 1

	Amount	\$/kWh	
(1) C = Projected Recoverable AEPS Costs	\$ 526,594	\$0.0000	p. 2 of 3
(2) E = Experienced & Estimated Net Over/(Under) (a)			
a. Over/(Under)	\$ -	\$0.0000	
b. Interest	\$ -	\$0.0000	
	<hr style="width: 100%; border: 0.5px solid black;"/>		
	\$ -	\$0.0000	
(3) Net Recoverable (C - E)	\$ 526,594	\$0.0000	
(4) RCC = One Year Cost - Recovery Period	\$ 13,938,089	\$0.0013	p. 3 of 3
(5) S = Projected Sales (kWh) for Computation Period	11,179,265,592		
(6) T = Pennsylvania gross receipts tax rate	6.06%		
(7) AEPS: [(C-E)/S + RCC/S]/(1-T)	\$0.0014		

(a) There will be no reconciliation until 2012 as per PECO's tariff.

PECO - 2011 AEPS C-Factor Calculation

Procurement Class 1

C-Factor Month	Projected AEPS Costs	Projected Default Sales (kWh)
	(1)	(2)
Jun-11 (est) \$	69,914	948,953,564
Jul-11 (est) \$	52,678	1,251,776,016
Aug-11 (est) \$	49,084	1,166,787,042
Sep-11 (est) \$	35,507	840,690,393
Oct-11 (est) \$	39,499	736,199,541
Nov-11 (est) \$	44,167	847,558,914
Dec-11 (est) \$	54,321	1,084,778,320
Jan-12 (est) \$	46,447	1,103,022,872
Feb-12 (est) \$	39,749	944,209,157
Mar-12 (est) \$	36,463	861,563,847
Apr-12 (est) \$	29,360	695,778,493
May-12 (est) \$	29,406	697,947,433
Total \$	526,594	11,179,265,592

Estimated Recovery C-Factor \$0.0000 per kWh

**PECO 2011 AEPS
RCC Factor Calculation**

Procurement Class 1

RCC-Factor Month	RCC Factor ^(a) (1)	Projected Default Billed Sales (kWh) (2)	RCC Revenue (3) = (1) * (2)	Interest Rate (4)	Interest Recouped (5) = Prev mo (6) * (4)/12	Cummulative RCC Balance ^(b) (6) = Prev mo (6) + (5) - (3)	Amortization Original Balance (7) = (3) - (5)
						\$ 13,207,588	
Jan-11	\$ 0.0011	697,820,917	\$ 786,640	6%	\$ 66,038	\$ 12,486,986	\$ 720,602
Feb-11	\$ 0.0011	1,208,777,356	\$ 1,362,631	6%	\$ 62,435	\$ 11,186,791	\$ 1,300,196
Mar-11 (est)	\$ 0.0011	954,534,880	\$ 1,076,028	6%	\$ 55,934	\$ 10,166,697	\$ 1,020,094
Apr-11 (est)	\$ 0.0011	750,753,763	\$ 846,310	6%	\$ 50,833	\$ 9,371,220	\$ 795,476
May-11 (est)	\$ 0.0011	729,599,264	\$ 822,463	6%	\$ 46,856	\$ 8,595,614	\$ 775,607
Jun-11 (est)	\$ 0.0013	948,953,564	\$ 1,248,026	6%	\$ 42,978	\$ 7,390,566	\$ 1,205,048
Jul-11 (est)	\$ 0.0013	1,251,776,016	\$ 1,646,286	6%	\$ 36,953	\$ 5,781,233	\$ 1,609,333
Aug-11 (est)	\$ 0.0013	1,166,787,042	\$ 1,534,512	6%	\$ 28,906	\$ 4,275,628	\$ 1,505,605
Sep-11 (est)	\$ 0.0013	840,690,393	\$ 1,105,642	6%	\$ 21,378	\$ 3,191,364	\$ 1,084,264
Oct-11 (est)	\$ 0.0013	736,199,541	\$ 968,220	6%	\$ 15,957	\$ 2,239,100	\$ 952,263
Nov-11 (est)	\$ 0.0013	847,558,914	\$ 1,114,676	6%	\$ 11,196	\$ 1,135,620	\$ 1,103,480
Dec-11 (est)	\$ 0.0013	<u>1,084,778,320</u>	<u>\$ 1,426,657</u>	6%	<u>\$ 5,678</u>	<u>\$(285,359)</u>	<u>\$ 1,420,979</u>
		11,218,229,969	\$ 13,938,089		\$ 445,142		\$ 13,492,947

Estimated Recovery RCC-Factor

\$ 0.0013

RCC Balance \$ (285,359)

^(a) RCC Factor is calculated, including interest, to create an amortization schedule on banked AEPS costs.

^(b) Starting RCC balance updated by \$8,941 to reflect actual costs for October, November, and December of 2010

ATTACHMENT 2

**PECO ENERGY
AEPS**

**CALCULATION FOR PROCUREMENT CLASS 2
SMALL COMMERCIAL & INDUSTRIAL UP TO 100 KW**

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

PECO - Electric
2011 AEPS Annual Reconciliation
June 2011 to May 2012

Procurement Class 2

		Amount	\$/kWh	
(1)	C = Projected Recoverable AEPS Costs	\$ 99,493	\$0.0000	p. 2 of 3
(2)	E = Experienced & Estimated Net Over/(Under) (a)			
	a. Over/(Under)	\$ -	\$0.0000	
	b. Interest	\$ -	\$0.0000	
		<hr/>		
		\$ -	\$0.0000	
(3)	Net Recoverable (C - E)	\$ 99,493	\$0.0000	
(4)	RCC = One Year Cost - Recovery Period	\$ 4,005,790	\$0.0016	p. 3 of 3
(5)	S = Projected Sales (kWh) for Computation Period	2,591,850,833		
(6)	T = Pennsylvania gross receipts tax rate	6.06%		
(7)	AEPS: [(C-E)/S + RCC/S]/(1-T)	\$0.0017		

(a) There will be no reconciliation until 2012 as per PECO's tariff.

**PECO - 2011 AEPS
C-Factor Calculation**

Procurement Class 2

C-Factor Month	Projected AEPS Costs	Projected Default Sales (kWh)
	(1)	(2)
Jun-11 (est)	\$ 8,981	234,126,054
Jul-11 (est)	\$ 10,185	265,236,165
Aug-11 (est)	\$ 9,973	259,740,522
Sep-11 (est)	\$ 8,521	221,945,719
Oct-11 (est)	\$ 7,742	201,680,087
Nov-11 (est)	\$ 7,565	197,208,624
Dec-11 (est)	\$ 7,801	203,316,005
Jan-12 (est)	\$ 8,686	226,170,337
Feb-12 (est)	\$ 7,837	204,306,715
Mar-12 (est)	\$ 7,577	197,451,371
Apr-12 (est)	\$ 7,105	184,936,733
May-12 (est)	\$ 7,518	195,732,500
Total	\$ 99,493	2,591,850,833

Estimated Recovery C-Factor \$0.0000 per kWh

**PECO 2011 AEPS
RCC Factor Calculation**

Procurement Class 2

RCC-Factor Month	RCC Factor ^(a) (1)	Default Billed Sales (kWh) (2)	RCC Revenue (3) = (1) * (2)	Interest Rate (4)	Interest Recouped (5) = Prev mo (6) * (4)/12	Cummulative RCC Balance ^(b) (6) = Prev mo (6) + (5) - (3)	Amortization Original Balance (7) = (3) - (5)
						\$ 3,818,286	
Jan-11	\$ 0.0013	185,899,057	\$ 244,487	6%	\$ 19,091	\$ 3,592,890	\$ 225,396
Feb-11	\$ 0.0013	276,576,082	\$ 363,742	6%	\$ 17,964	\$ 3,247,113	\$ 345,777
Mar-11 (est)	\$ 0.0013	234,650,019	\$ 308,602	6%	\$ 16,236	\$ 2,954,746	\$ 292,367
Apr-11 (est)	\$ 0.0013	210,867,067	\$ 277,324	6%	\$ 14,774	\$ 2,692,196	\$ 262,550
May-11 (est)	\$ 0.0013	215,343,260	\$ 283,211	6%	\$ 13,461	\$ 2,422,446	\$ 269,750
Jun-11 (est)	\$ 0.0016	234,126,054	\$ 373,895	6%	\$ 12,112	\$ 2,060,663	\$ 361,782
Jul-11 (est)	\$ 0.0016	265,236,165	\$ 423,577	6%	\$ 10,303	\$ 1,647,390	\$ 413,274
Aug-11 (est)	\$ 0.0016	259,740,522	\$ 414,800	6%	\$ 8,237	\$ 1,240,826	\$ 406,563
Sep-11 (est)	\$ 0.0016	221,945,719	\$ 354,443	6%	\$ 6,204	\$ 892,588	\$ 348,239
Oct-11 (est)	\$ 0.0016	201,680,087	\$ 322,079	6%	\$ 4,463	\$ 574,971	\$ 317,616
Nov-11 (est)	\$ 0.0016	197,208,624	\$ 314,938	6%	\$ 2,875	\$ 262,908	\$ 312,063
Dec-11 (est)	\$ 0.0016	<u>203,316,005</u>	<u>\$ 324,692</u>	6%	\$ 1,315	<u>\$(60,469)</u>	<u>\$ 323,377</u>
		2,706,588,661	\$ 4,005,790		\$ 127,035		\$ 3,878,754
Estimated Recovery RCC-Factor						RCC Balance	\$ <u>(60,469)</u>
\$ 0.0016							

^(a) RCC Factor is calculated, including interest, to create an amortization schedule on banked AEPS costs.

^(b) Starting RCC balance updated by \$9,233 to reflect actual costs for October, November, and December of 2010

ATTACHMENT 3

PECO ENERGY
AEPS

CALCULATION FOR PROCUREMENT CLASS 3
MEDIUM COMMERCIAL & INDUSTRIAL
101 KW TO 500 KW

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO - Electric
2011 AEPS Annual Reconciliation
June 2011 to May 2012

Procurement Class 3

		Amount	\$/kWh	
(1)	C = Projected Recoverable AEPS Costs	\$ 83,389	\$0.0000	p. 2 of 3
(2)	E = Experienced & Estimated Net Over/(Under) (a)			
	a. Over/(Under)	\$ -	\$0.0000	
	b. Interest	<u>\$ -</u>	\$0.0000	
		\$ -	\$0.0000	
(3)	Net Recoverable (C - E)	\$ 83,389	\$0.0000	
(4)	RCC = One Year Cost - Recovery Period	\$ 3,630,396	\$0.0022	p. 3 of 3
(5)	S = Projected Sales (kWh) for Computation Period	1,838,505,568		
(6)	T = Pennsylvania gross receipts tax rate	6.06%		
(7)	AEPS: [(C-E)/S + RCC/S]/(1-T)	\$0.0023		

(a) There will be no reconciliation until 2012 as per PECO's tariff.

**PECO - 2011 AEPS
C-Factor Calculation**

Procurement Class 3

C-Factor Month	Projected AEPS Costs	Projected Default Sales (kWh)
	(1)	(2)
Jun-11 (est) \$	7,011	165,530,000
Jul-11 (est) \$	7,832	184,767,517
Aug-11 (est) \$	7,714	182,071,790
Sep-11 (est) \$	6,672	157,530,641
Oct-11 (est) \$	6,177	145,844,042
Nov-11 (est) \$	6,020	142,097,642
Dec-11 (est) \$	11,666	146,191,320
Jan-12 (est) \$	6,724	158,513,442
Feb-12 (est) \$	6,059	142,770,037
Mar-12 (est) \$	5,981	141,133,907
Apr-12 (est) \$	5,577	131,564,765
May-12 (est) \$	5,955	140,490,466
Total \$	83,389	1,838,505,568

Estimated Recovery C-Factor \$0.0000 per kWh

**PECO 2011 AEPS
RCC Factor Calculation**

Procurement Class 3

RCC-Factor Month	RCC Factor ^(a) (1)	Default Billed Sales (kWh) (2)	RCC Revenue (3) = (1) * (2)	Interest Rate (4)	Interest Recouped (5) = Prev mo (6) * (4)/12	Cummulative RCC Balance ^(b) (6) = Prev mo (6) + (5) - (3)	Amortization Original Balance (7) = (3) - (5)
						\$ 3,485,761	
Jan-11	\$ 0.0014	194,907,653	\$ 274,644	6%	\$ 17,429	\$ 3,228,545	\$ 257,216
Feb-11	\$ 0.0014	187,445,939	\$ 264,130	6%	\$ 16,143	\$ 2,980,558	\$ 247,987
Mar-11 (est)	\$ 0.0014	168,176,080	\$ 236,977	6%	\$ 14,903	\$ 2,758,484	\$ 222,074
Apr-11 (est)	\$ 0.0014	148,414,584	\$ 209,131	6%	\$ 13,792	\$ 2,563,145	\$ 195,339
May-11 (est)	\$ 0.0014	153,931,800	\$ 216,905	6%	\$ 12,816	\$ 2,359,056	\$ 204,090
Jun-11 (est)	\$ 0.0022	165,530,000	\$ 357,647	6%	\$ 11,795	\$ 2,013,204	\$ 345,852
Jul-11 (est)	\$ 0.0022	184,767,517	\$ 399,212	6%	\$ 10,066	\$ 1,624,057	\$ 389,146
Aug-11 (est)	\$ 0.0022	182,071,790	\$ 393,388	6%	\$ 8,120	\$ 1,238,790	\$ 385,268
Sep-11 (est)	\$ 0.0022	157,530,641	\$ 340,364	6%	\$ 6,194	\$ 904,620	\$ 334,170
Oct-11 (est)	\$ 0.0022	145,844,042	\$ 315,114	6%	\$ 4,523	\$ 594,029	\$ 310,590
Nov-11 (est)	\$ 0.0022	142,097,642	\$ 307,019	6%	\$ 2,970	\$ 289,980	\$ 304,049
Dec-11 (est)	\$ 0.0022	<u>146,191,320</u>	<u>\$ 315,864</u>	6%	<u>\$ 1,450</u>	<u>\$ (24,434)</u>	<u>\$ 314,414</u>
		1,976,909,008	\$ 3,630,396		\$ 120,201		\$ 3,510,195
Estimated Recovery RCC-Factor						RCC Balance	\$ (24,434)
\$ 0.0022							

^(a) RCC Factor is calculated, including interest, to create an amortization schedule on banked AEPS costs.

^(b) Starting RCC balance updated by \$7,478 to reflect actual costs for October, November, and December of 2010

ATTACHMENT 4

PECO ENERGY
AEPS

CALCULATION FOR PROCUREMENT CLASS 4
LARGE COMMERCIAL & INDUSTRIAL OVER 500 KW

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO - Electric
2011 AEPS Annual Reconciliation
June 2011 to May 2012

Procurement Class 4	Amount	\$/kWh	
(1) C = Projected Recoverable AEPS Costs	\$ 166,541	\$0.0001	p. 2 of 3
(2) E = Experienced & Estimated Net Over/(Under) (a)			
a. Over/(Under)	\$ -	\$0.0000	
b. Interest	<u>\$ -</u>	\$0.0000	
	\$ -	\$0.0000	
(3) Net Recoverable (C - E)	\$ 166,541	\$0.0001	
(4) RCC = One Year Cost - Recovery Period	\$ 3,247,395	\$0.0017	p. 3 of 3
(5) S = Projected Sales (kWh) for Computation Period	1,879,893,563		
(6) T = Pennsylvania gross receipts tax rate	6.06%		
(7) AEPS: [(C-E)/S + RCC/S]/(1-T)	\$0.0019		

(a) There will be no reconciliation until 2012 as per PECO's tariff.

**PECO - 2011 AEPS
C-Factor Calculation**

Procurement Class 4

C-Factor Month	Projected AEPS Costs	Projected Default Sales (kWh)
	(1)	(2)
Jun-11 (est)	\$ 18,871	163,956,031
Jul-11 (est)	\$ 14,958	179,081,535
Aug-11 (est)	\$ 15,138	181,471,319
Sep-11 (est)	\$ 13,444	161,229,702
Oct-11 (est)	\$ 13,954	149,324,158
Nov-11 (est)	\$ 13,312	141,605,681
Dec-11 (est)	\$ 15,262	165,017,317
Jan-12 (est)	\$ 13,111	157,038,928
Feb-12 (est)	\$ 11,802	141,459,114
Mar-12 (est)	\$ 12,649	151,681,121
Apr-12 (est)	\$ 11,597	138,875,264
May-12 (est)	\$ 12,444	149,153,393
Total	\$ 166,541	1,879,893,563

Estimated Recovery C-Factor \$0.0001 per kWh

**PECO 2011 AEPS
RCC Factor Calculation**

Procurement Class 4

RCC-Factor Month	RCC Factor ^(a) (1)	Projected Default Billed Sales (kWh) (2)	RCC Revenue (3) = (1) * (2)	Interest Rate (4)	Interest Recouped (5) = Prev mo (6) * (4)/12	Cummulative RCC Balance ^(b) (6) = Prev mo (6) + (5) - (3)	Amortization Original Balance (7) = (3) - (5)
						\$ 3,154,750	
Jan-11	\$ 0.0012	443,662,838	\$ 541,810	6%	\$ 15,774	\$ 2,628,714	\$ 526,036
Feb-11	\$ 0.0012	150,853,963	\$ 184,226	6%	\$ 13,144	\$ 2,457,631	\$ 171,082
Mar-11 (est)	\$ 0.0012	185,102,486	\$ 226,051	6%	\$ 12,288	\$ 2,243,869	\$ 213,763
Apr-11 (est)	\$ 0.0012	147,026,044	\$ 179,551	6%	\$ 11,219	\$ 2,075,537	\$ 168,332
May-11 (est)	\$ 0.0012	157,364,788	\$ 192,177	6%	\$ 10,378	\$ 1,893,738	\$ 181,799
Jun-11 (est)	\$ 0.0017	163,956,031	\$ 276,243	6%	\$ 9,469	\$ 1,626,963	\$ 266,774
Jul-11 (est)	\$ 0.0017	179,081,535	\$ 301,727	6%	\$ 8,135	\$ 1,333,371	\$ 293,592
Aug-11 (est)	\$ 0.0017	181,471,319	\$ 305,754	6%	\$ 6,667	\$ 1,034,284	\$ 299,087
Sep-11 (est)	\$ 0.0017	161,229,702	\$ 271,649	6%	\$ 5,171	\$ 767,806	\$ 266,478
Oct-11 (est)	\$ 0.0017	149,324,158	\$ 251,590	6%	\$ 3,839	\$ 520,055	\$ 247,751
Nov-11 (est)	\$ 0.0017	141,605,681	\$ 238,586	6%	\$ 2,600	\$ 284,069	\$ 235,985
Dec-11 (est)	\$ 0.0017	165,017,317	\$ 278,031	6%	\$ 1,420	\$ 7,458	\$ 276,611
		2,225,695,862	\$ 3,247,395		\$ 100,104		\$ 3,147,292
Estimated Recovery RCC-Factor						RCC Balance	\$ 7,458
\$ 0.0017							

^(a) RCC Factor is calculated, including interest, to create an amortization schedule on banked AEPS costs.

^(b) Starting RCC balance updated by \$17,554 to reflect actual costs for October, November, and December of 2010

ATTACHMENT 5

**PECO ENERGY
REVISED TARIFF PAGES
(AEPS AND CAP)**

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued April 1, 2011

Effective June 1, 2011

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

NOTICE.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Provision for Surcharge Recovery of Alternative Energy Portfolio Standard Costs - 3rd Revised Page No. 35 -

Annual Adjustment pursuant to Order at Docket No. P-00072260.

Customer Assistance Program (CAP) Rider, 4th Revised Page No. 69 -

Reflects changes to CAP maximum discount as a result of changes to AEPS adjustment for Procurement Class 1

PECO Energy Company

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Provision for Surcharge Recovery of Alternative Energy Portfolio Standard Costs

The energy charge for electric service for all rate schedules shall include:

\$0.0014 per kWh for Procurement Class 1;	(I)
\$0.0017 per kWh for Procurement Class 2;	(I)
\$0.0023 per kWh for Procurement Class 3;	(I)
\$0.0019 per kWh for Procurement Class 4	(I)

recovery of the costs associated with compliance with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act"). The rate associated with the recovery of these costs shall change once per year on June 1 with the exception of the first charge, which shall go into effect on January 1, 2011. The rate shall be calculated in the manner described below for procurement class 1, 2, 3 and 4.

Calculation of the AEPS Charge:

The AEPS charge per kWh shall be computed to the nearest one hundredth of a cent in accordance with the formula below:

$$\text{AEPS Charge (n)} = [(C-E)/S + \text{RCC}/S]/(1-T)$$

In calculating the AEPS Charge above, the following definitions shall apply:

AEC – Alternative Energy Credit, as such credit is defined by the Act.

AEPS – Alternative Energy Portfolio Standard.

AEPS Charge(n) – The charge for procurement class n, including over/(under) recovery and associated interest determined to the nearest one hundredth of a cent that will recover the cost of complying with the Act.

Alternative Compliance Payment (ACP) – Amount paid by the Company to meet its AEPS compliance target when there are not sufficient altern resources available, which shall be \$45 per megawatt hour.

Alternative Energy – Energy generated by Alternative Energy Sources, as defined by the Act.

C – The projected total cost of complying with the Act for the calculation period for each procurement class. Costs include the amount paid for Alternative Energy and/or AECs purchased for compliance with the Act (including the cost of banked AECs to be used by PECO during a compliance period), the cost of administering and conducting any procurement of Alternative Energy and/or AECs, payments to the AEC program administrator for its costs of administering an alternative energy credits program, payments to a third party for its costs in operating an AEC registry, any charge levied by PECO's regional transmission operator to ensure that alternative energy sources are reliable, a credit for the sale of any AECs sold during the calculation period, and the cost of Alternative Compliance Payments that are deemed recoverable by the Commission, plus any other direct or indirect cost of acquiring Alternative Energy and/or AECs and complying with the AEPS statute.

E – The under/(over) collection of AEPS costs for each procurement class in the reconciliation period. Interest on any over/(under) recovery shall be at the statutory rate of 6%.

Calculation/Application Period – A projected 12-month period commencing on June 1 of the filing year and ending on May 31 of the following year.

Filing date – The AEPS charge shall be filed each year on April 1 with the exception of the first AEPS charge filing which shall be made on November 1, 2010.

Application Year – The year in which the monthly AEPS charge is billed to customers.

Reconciliation Period – The 12-month period ending January 31 of the filing year with the exception of the first reconciliation period which shall be for the 13 months ending January 31, 2012.

TDC – Rate cap costs or cost deferred in accordance with the AEPS Statute during the Cost Recovery Period.

(I) Denotes Increase

Customer Assistance Program (CAP) Rider

AVAILABILITY:

To payment-troubled customers who are currently served under or otherwise qualify for Rate R, or RH (excluding multiple dwelling unit buildings consisting of two to five dwelling units). Customers must apply for the rates contained in this rider and must demonstrate annual household gross income at or below 150% of the Federal Poverty guidelines. Based on the applicable level of income and other criteria, the following CAP Rate categories (A through E1) apply:

CAP A - PECO Cares Program: Customers with annual household gross incomes at or below 25% of the Federal poverty income guidelines with documented extenuating circumstances will be eligible for CAP A which provides for Residential Rate R customers a nominal bundled rate of \$12/month for all usage up to 1,000 KWH; for usage above 1,000 KWH the CAP D rate structure will apply. For Residential Heating customers Rate RH, CAP A provides a nominal bundled rate of \$30/month for all usage up to 2,000 KWH in the Winter¹/1,000 KWH in the Summer¹; for usage above 2,000/1,000 KWH the CAP D rate structure will apply.

Extenuating circumstances shall include those individuals who demonstrate an inability to pay the billed rate of CAP B as a result of unique circumstances such as:

- Health related matters:
 - Injury or illness
 - High medical bills
 - Medically related usage
 - Death in the family
- Sudden loss of employment
- Households that include at risk individuals such as:
 - Children below 8 years of age
 - Disabled persons
 - Infirm elderly
- Inability to maintain at least two CAP B payment arrangements
- High usage related to shelter conditions which are not treatable by LIURP

¹ Winter refers to the 9 months (October – June); Summer refers to the 3 peak usage summer months (July-September).

Program Provisions: The CAP A Rate is limited to 7,500 customers and these customers will be re-certified annually. CAP A customers will be targeted to receive LIURP treatments; and they will be assigned to a PECO Cares Representative to maximize the assistance available to them. In addition, these customers will not be able to obtain Competitive Energy Supply.

CAP B: Customers with annual household gross incomes at or below 25% of the Federal poverty income guidelines will be eligible for the CAP B Rate which provides a nominal 93% discount on the total bill for electric service subject to a maximum discount of \$103.24 (I) in months of October – May. The maximum for June is \$104.93 Rate RH discount shall be a nominal 87% subject to a maximum discount of \$82.67 in months of October – May. The maximum for June is \$97.16. Customers must be on budget billing, will be subject to a \$12 monthly bill minimum (\$30 for Rate RH customers in October through June). Maximum discounts shall be based on a 650 kWh bill except for the months of July-September when the discount will be on 750 kWh with a maximum discount of \$ 120.91 for Rate R and \$111.97 for Rate RH.

CAP C: Customers with annual household gross incomes at or greater than 26% up to and including 50% of the Federal poverty (I) income guidelines will be eligible for the CAP C Rate which provides a nominal 86% discount on the total bill for electric service subject to a maximum discount of \$95.47 in months of October – May. The maximum for June is \$97.03. Rate RH discount shall be a nominal 75% subject to a maximum discount of \$71.27 in months October – May. The maximum for June is \$83.76. Customers must be on budget billing. Maximum discounts shall be based on a 650 kWh bill except for the months of July-September when the discount will be on 750 kWh with a maximum discount of \$111.81 for Rate R and \$96.53 for Rate RH.

CAP D: Customers with annual household gross incomes at or greater than 51% up to and including 75% of the Federal poverty (I) income guidelines will be eligible for the CAP D Rate which provides a nominal 70% on the total bill for electric service subject to a maximum discount of \$77.71 for October – May and \$78.98 for June - September Rate RH discount shall be a nominal 45% subject (I) to a maximum discount of \$42.76 for October- May and \$50.26 for June- September. Maximum discounts shall be based on a 650 kWh bill.

CAP D1: Customers with annual household gross incomes at or greater than 76% up to and including 100% of the Federal poverty (I) income guidelines will be eligible for the CAP D1 Rate which provides a nominal 62% discount on the total bill for electric service subject to a maximum discount of \$68.83 for October – May and \$69.95 for June - September. Rate RH discount shall be a nominal (I) 24% subject to a maximum discount of \$22.80 for October- May and \$26.80 for June- September. Maximum discounts shall be based on a 650 kWh bill.

CAP E: Customers with annual household gross incomes at or greater than 101% up to and including 125% of the Federal poverty (I) income guidelines will be eligible for the CAP E Rate which provides a nominal 41% discount on the total bill for electric service subject to a maximum discount of \$45.51 in months of October- May for June- September \$46.26. Rate RH discount shall be 0% (I) subject to a maximum discount of \$0.00. Maximum discounts shall be based on a 650 kWh bill.

CAP E1: Customers with annual household gross incomes from 126% up to and including 150% of the Federal poverty income (I) guidelines will be eligible for the CAP E1 Rate which provides a nominal 29% discount on the total bill for electric service subject to a maximum discount of \$32.19 in months of October – May and \$32.72 for June - September. Rate RH discount shall be 0% subject (I) to a maximum discount of \$0.00. Maximum discounts shall be based on a 650 kWh bill.

DISCOUNT LEVELS: The Company shall be required to modify the level of discounts set forth as part of its annual USFC filing. If the calculated discounts result in a discount greater than the level allowed by the Commission, the discount for each class will be scaled back on a prorata basis such that the total cost does not exceed the allowed level.

(I) Denotes Increase

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Origin ID: REDA

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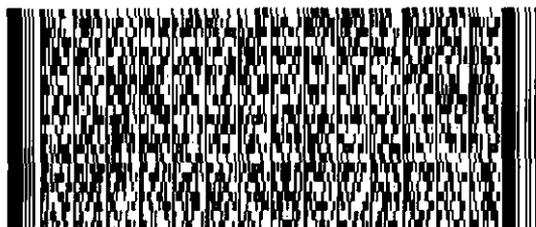
Rosemary Chiavetta
Pennsylvania Public Utility Commiss
2nd Floor North, CKB
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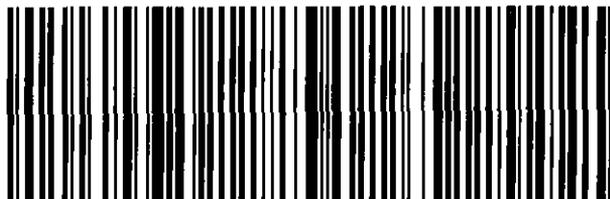
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