



An Exelon Company

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

Telephone 215.841.4000 ext 5777
Fax 215.847.6208
www.exeloncorp.com
dick.webster@exeloncorp.com

PECO Energy Company
2301 Market Street, 515
Philadelphia, PA 19103

Mail To: 8699
Philadelphia, PA 19101-8699

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OCT 4 2011

October 4, 2011

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

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Subject: Rate Credit Due to a Change in Accounting for Repairs for Tax
Purposes as required under the Settlement at Docket No.
R-2010-2161575

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission an original and eight copies of Supplement No. 25 to PECO's Electric Tariff No. 4. This Supplement contains the credit to PECO's distribution rates associated with the adoption by PECO of a change in accounting for repairs for tax purposes. The filed credit is in accordance with the Settlement approved by the Commission at Docket R-2010-2161575.

The Settlement in Docket R-2010-2161575 Paragraph E-2 required that if PECO adopted a change in tax accounting for repairs, any reduction associated with the application to prior years (i.e. a catch up adjustment) be refunded to customers over a seven year period through a credit on the bill. The Company has adopted the change of tax accounting for repairs with the filing of its 2010 tax return in September of 2011. The catch up adjustment (including Gross Receipts Tax) in the amount of \$149.7 million shall be refunded to customers over a seven year period per the terms of the Settlement.

The tariff provision implementing the rate credit and the responses to the questions in 52 PA Code Section 53.52 (a) are provided as Attachment 1. Attachment 2 provides the computation of the catch up adjustment. The allocation of the credit to the classes of service shall, under the terms of the settlement, be based upon net plant in the Company's filed cost of service study in Docket R-2010-2161575. The allocation methodology is provided in Attachment 3. Attachment 4 provides the new distribution rates to reflect the rate credit.

Rosemary Chiavetta, Secretary
October 4, 2011
Page 2

The following schedules are attached in support of this adjustment:

- Attachment 1 – Tariff Supplement implementing the credit and Responses to Questions under 52 PA Code section 53.52(a);
- Attachment 2 – Computation of the tax repair catch up adjustment;
- Attachment 3 – Allocation of the credit to the rate classes;
- Attachment 4 – Development of the new distribution rate for each rate class

Please direct any questions regarding the above to Alan B. Cohn at 215-841-5769.

Would you kindly acknowledge receipt of the foregoing by time stamping the enclosed copy of this letter and return it in the self-addressed postage paid envelope.

Sincerely,



- Copies to:
- C. Walker-Davis, Director, Office of Special Assistants
 - P. T. Diskin, Director, Bureau of Technical Utility Services
 - M. C. Lesney, Director, Bureau of Audits
 - J. E. Simms, Director, Bureau of Investigation & Enforcement
 - Office of Consumer Advocate
 - Office of Small Business Advocate
 - McNees, Wallace & Nurick

Enclosures

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued October 4, 2011

Effective January 1, 2012

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

NOTICE.

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

PECO Energy Company

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

Provision for Tax Accounting Repair Credit (TARC) - Original Page 40D

New credit is added.

Rate R – Residence Service 3rd Revised Page No. 41

Variable Distribution Charge is decreased. Reference to Provision for Tax Accounting Repair Credit is added.

Rate RH – Residential Heating Service 3rd Revised Page No. 43

Variable Distribution Charges are decreased. Reference to Provision for Tax Accounting Repair Credit is added.

Rate OP – Off-Peak Service 2nd Revised Page No. 46

Variable Distribution Charge is decreased. Reference to Provision for Tax Accounting Repair Credit is added.

Rate GS – General Service 3rd Revised Page No. 47

Variable Distribution Charge per kWh is decreased. Reference to Provision for Tax Accounting Repair Credit is added.

Rate PD – Primary-Distribution Power 3rd Revised Page No. 50

Variable Distribution Charge per kWh is decreased. Reference to Provision for Tax Accounting Repair Credit is added.

Rate HT – High-Tension Power 3rd Revised Page No. 51

Variable Distribution Charge per kWh is decreased. Reference to Provision for Tax Accounting Repair Credit is added.

Rate POL – Private Outdoor Lighting 2nd Revised Page No. 52

Fixed Distribution Charges are decreased. Reference to Provision for Tax Accounting Repair Credit is added.

Rate SL-S – Street Lighting-Suburban Counties 2nd Revised Page No. 57

Fixed Distribution Charges are decreased. Reference to Provision for Tax Accounting Repair Credit is added.

Rate SL-E – Street Lighting Customer-Owned Facilities 2nd Revised Page No. 59

Service Location Distribution Charges are decreased. Reference to Provision for Tax Accounting Repair Credit is added.

Rate TLCL- Traffic Lighting Constant Load Service 2nd Revised Page No. 61

Service Location Distribution Charge is decreased. Reference to Provision for Tax Accounting Repair Credit is added.

Rate EP – Electric Propulsion 2nd Revised Page No. 63

Variable Distribution Charge per kWh is decreased. Reference to Provision for Tax Accounting Repair Credit is added.

Rate AL – Alley Lighting in City of Philadelphia 2nd Revised Page No. 64

Service Location Distribution Charge is decreased. Reference to Provision for Tax Accounting Repair Credit is added.

PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) (C)

Purpose: The purpose of this credit is to provide customers a bill credit for the tax benefits gained as a result of a change in the method of tax accounting for certain expenditures. The Tax Accounting Repair Credit is as proposed in the Settlement at Docket No. R-2010-2161575 in Section II E(2).

Applicability: The credit shall be calculated to the nearest one-hundredth of a cent for billing purposes for all customers, except for customers on Rates SLE, SLS, POL, TLCL and AL where it shall be the nearest one cent. The TARC shall be credited to each rate schedule as follows:

Rate R	(\$0.0009)/kWh
Rate RH	(\$0.0009)/kWh
Rate OP	(\$0.0009)/kWh
Rate GS	(\$0.0006)/kWh
Rate POL	(\$0.24)/lamp
Rate SL-S	(\$2.88)/lamp
Rate SL-E	(\$0.2400)/location outside of the City of Philadelphia; (\$0.2400)/location within the City of Philadelphia
Rate AL	(\$0.2400)/location
Rate TLCL	(\$0.2400)/location
Rates HT, PD, EP	(\$0.0002)/kWh

The Variable Distribution Service charges, for the above rate schedules shall include the above listed TARC credits. For the lighting rate schedules, the applicable location or fixed distribution service charges shall include the TARC credit.

Calculation of TARC Credit:

Billing Provisions: The credit shall be calculated by rate schedule using the following formula:

$$TARC = \frac{(R)_n \times (1)}{BU (1-T)}$$

where:

R_n – The amount accrued as a result of a change in the tax accounting method for electric system repairs for rate class n divided by 7.

BU_n – The total annual Billing Units for the rate class.

T – The current Pennsylvania gross receipt tax rate included in base rates.

Filings and Reconciliations: One year prior to the scheduled expiration of the credit the Company will evaluate whether a change in the credit is required in order to avoid a significant over or under recovery at the end of the rate credit period. If a base rate case has not been filed prior to the expiration of the credit, a final reconciliation filing will be made on or before January 31, 2019, at which time any under or over recoveries will be reflected in rates in effect from April 1, 2019 to June 30, 2019. If it is apparent that such methodology would result in a significant over or under recovery at December 31, 2018 for an individual rate class the Company will propose a revised rate credit to become effective April 1, 2018. Interest will not be applied to any over or undercollections. If the amount to be credited to customers is modified based upon the results of an IRS audit of the accounting change, the Company shall modify the credit accordingly through a filing with the Commission. Such filing shall be made 60 days prior to the effective date. Additionally, if the value of the credit has been reduced due to a State Net Operating Loss (NOL), a filing shall be made to increase the credit when the NOL has been used by the Company.

(C) Indicates Change

RATE R RESIDENCE SERVICE

AVAILABILITY.

Single-phase service in the entire territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for the domestic requirements of its members when such service is supplied through one meter. Service is also available for related farm purposes when such service is supplied through one meter in conjunction with the farmhouse domestic requirements.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date must be individually metered for their basic service supply. Centrally supplied master metered heating, cooling or water heating service may be provided if such supply will result in energy conservation.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost-sharing basis; (c) the premises owned by a church, and primarily designated or set aside for, and actually occupied and used as, the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and the resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; (c) a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37-1/2 amperes at 240 volts.

CURRENT CHARACTERISTICS. Standard single-phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$7.20

VARIABLE DISTRIBUTION SERVICE CHARGE:

.All kWhs 5.87¢ per kWh

(D)

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: per the Transmission Service Charge.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE, Transmission Service Charge, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

(C)

PAYMENT TERMS. Standard.

(D) Denotes Decrease

(C) Denotes Change

PECO Energy Company

RATE R-H RESIDENTIAL HEATING SERVICE

AVAILABILITY.

Single-phase service to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for domestic requirements when such service is provided through one meter and where the dwelling is heated by specified types of electric space heating systems. The systems eligible for this rate are (a) permanently connected electric resistance heaters where such heaters supply all of the heating requirements of the dwelling, (b) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by electric resistance heaters, and (c) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by non-electric energy sources and/or by electric energy sources served on Rate O-P Off-Peak Service. All space heating installations must meet Company requirements. This rate schedule is not available for commercial, institutional or industrial establishments.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service provided hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service provided by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date, must be individually metered.

CURRENT CHARACTERISTICS. Standard single-phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$7.20

VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS. (June through September)

5.87¢ per kWh for all kWh.

(D)

WINTER MONTHS. (October through May)

3.93¢ per kWh for all kWh

(D)

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: per the Transmission Service Charge

MINIMUM CHARGE. The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

(C)

COMBINED RESIDENTIAL AND COMMERCIAL SERVICE. Where a portion of the service provided is used for commercial purposes, the appropriate general service rate is applicable to all service; or, at the option of the customer, the wiring may be so arranged that the residential service may be separately metered and this rate is then applicable to the residential service only.

PAYMENT TERMS. Standard.

(D) Denotes Decrease

(C) Denotes Change

RATE OP OFF-PEAK SERVICE

AVAILABILITY.

In conjunction with Rates R, RT, R-H and with residence service under Rate GS, for any customer receiving service at 120/240 volts, 3 wires, or 120/208 volts, 3 wires, for the operation of 240-volt or 208-volt domestic equipment of a type approved by the Company. Any load connected for service under Rate OP may not be connected for service under any other rate during the period that service under Rate OP is interrupted. Service will be interrupted during on-peak periods as established by the Company. This rate is not available when the source of supply is service purchased from a neighboring company under a borderline-purchase agreement. Effective January 1, 2004, service under Rate OP will be restricted to service locations receiving Rate OP service or that are the subject of a Rate OP service application as of December 31, 2003. Effective January 1, 2013 (last bill issued December 31, 2012) this rate will no longer be applicable in its current form.

SPECIAL RULES AND REGULATIONS.

The normal control device furnished by the Company has a limited capacity. The customer shall notify the Company before connecting any load in addition to an existing water heater. If necessary, the Company will install a control device with a rating of 200 amperes to accommodate the additional 240-volt controlled load. For controlled loads larger than 200 amperes the control device shall be furnished, installed and maintained by the customer. Service may be interrupted for a total of not more than 6-1/2 hours per day during scheduled periods which may vary from customer to customer.

The Company has a program to replace seven-day clock control devices as they fail with five-day radio-control devices which provide uninterrupted service on Saturdays, Sundays and holidays.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$1.75 per month

VARIABLE DISTRIBUTION SERVICE CHARGE: 5.87¢ per kWh

(D)

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 1

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: per the Transmission Service Charge

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE

PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE. (C)

PAYMENT TERMS. Standard.

(D) Denotes Decrease

(C) Denotes Change

PECO Energy Company

RATE-GS GENERAL SERVICE

AVAILABILITY.

Service through a single metering installation for offices, professional, commercial or industrial establishments, governmental agencies, and other applications outside the scope of the Residence Service rate schedules. For service configurations that are nominally 120/208 volts, 3 phase, 4 wires and the service capacity exceeds 750 kVa for transformers located either inside or outside the building, the only rate option available to the customer will be Rate HT. For service configurations that are nominally 277/480 volts, 3 phase, 4 wires and capacity exceeds either 750 kVa for transformers located inside the building or 1,500 kVa for transformers located outside the building, the only rate option available to the customer will be Rate HT.

CURRENT CHARACTERISTICS.

Standard single-phase or polyphase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE:

- \$ 11.74 for single-phase service without demand measurement, or
- \$ 15.04 for single-phase service with demand measurement, or
- \$ 38.74 for polyphase service.

VARIABLE DISTRIBUTION SERVICE CHARGE:

- \$4.96 per kW of billed demand
- 0.43¢ per kWh for all kWh

(D)

ENERGY EFFICIENCY CHARGE: 0.27¢ per kWh

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2, 3 or 4

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: per the Transmission Service Charge

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

(C)

DETERMINATION OF DEMAND.

The billing demand will be measured where consumption exceeds 1,100 kilowatt-hours per month for three consecutive months; or where load tests indicate a demand of five or more kilowatts; or where the heating modification is applied; or where the customer requests demand measurement. Measured demands will be determined to the nearest 0.1 of a kilowatt but will not be less than 1.2 kilowatts, and will be adjusted for power factor in accordance with the Rules and Regulations.

For those customers with demand measurement the billing demand will not be less than the minimum value stated in the contract for service. If a measured demand customer has less than 1,100 monthly kilowatt-hours of use, the monthly billing demand will be the measured demand or the metered monthly kilowatt-hours divided by 175 hours, whichever is less, but not less than 1.2 kilowatts.

For those customers without demand measurement, the monthly billing demand will be computed by dividing the metered monthly kilowatt-hours by 175 hours. The computed demand will be determined to the nearest 0.1 of a kilowatt, but will not be less than 1.2 kilowatts.

(D) Denotes Decrease

(C) Denotes Change

RATE-PD PRIMARY-DISTRIBUTION POWER

AVAILABILITY.

Untransformed service from the primary supply lines of the Company's distribution system where the customer installs, owns, and maintains any transforming, switching and other receiving equipment required. However, standard primary service is not available in areas where the distribution voltage has been changed to either 13 kV or 33 kV unless the customer was served with standard primary service before the conversion of the area to either 13 kV or 33 kV. This rate is available only for service locations served on this rate on July 6, 1987 as long as the original primary service has not been removed. PECO Energy may refuse to increase the load supplied to a customer served under this rate when, in PECO Energy's sole judgment, any transmission or distribution capacity limitations exist. If a customer changes the billing rate of a location being served on this rate, PECO Energy may refuse to change that location back to Rate PD when, in PECO Energy's sole judgment, any transmission or distribution capacity limitations exist.

CURRENT CHARACTERISTICS.

Standard primary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$293.78

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$4.68 per kW of billing demand

0.32¢ per kWh for all kWh

(D)

ENERGY EFFICIENCY CHARGE: \$0.91 per kW of Peak Load Contribution

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2, 3 or 4

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

(C)

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. The 25kW minimum shall apply to the Energy Supply Charge and the Transmission Supply Charge. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Service Charge, plus the charge per kW component of the Variable Distribution Service Charge, plus in the case of Procurement Class 4 customers, charges assessed under PJM's reliability pricing model.

TERM OF CONTRACT.

The initial contract term shall be for at least three years.

PAYMENT TERMS.

Standard.

(D) Denotes Decrease

(C) Denotes Change

RATE-HT HIGH-TENSION POWER

AVAILABILITY.

Untransformed service from the Company's standard high-tension lines, where the customer installs, owns, and maintains, any transforming, switching and other receiving equipment required.

CURRENT CHARACTERISTICS.

Standard high-tension service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$296.08

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$3.59 per kW of billing demand from January 1, 2011 to December 31, 2011

\$3.57 per kW of billing demand from January 1, 2012 to December 31, 2012

\$3.55 per kW of billing demand after December 31, 2012

0.17¢ per kWh for all kWh

(D)

Customers served under LILR as of April 1, 2010:

For the period from January 1, 2011 through December 31 2011 distribution charges calculated under this tariff shall be multiplied by 50%

For the period from January 1, 2012 through December 31, 2012 distribution charges calculated under this tariff shall be multiplied by 75%

Subsequent to December 31, 2012 former LILR customers shall pay the above tariff rates

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2, 3 or 4

ENERGY EFFICIENCY CHARGE: \$0.91 per kW of Peak Load Contribution

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

HIGH VOLTAGE DISTRIBUTION DISCOUNT:

For customers supplied at 33,000 volts: 14¢ per kW of measured demand.

For customers supplied at 69,000 volts: 45¢ per kW for first 10,000 kW of measured demand.

For customers supplied over 69,000 volts: 45¢ per kW for first 100,000 kW of measured demand.

STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM, SMART METER COST RECOVERY SURCHARGE PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

(C)

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract. The 25 kW minimum shall apply to the Energy Supply Charge and the Transmission Supply Charge.

DELIVERY POINTS.

Where the load of a customer located on single or contiguous premises becomes greater than the capacity of the standard circuit or circuits established by the Company to supply the customer, an additional separate delivery point may be established for such premises upon the written request of the customer with billing continued as if the service were being delivered and metered at a single point, provided such multi-point delivery is not advantageous to the Company.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Service Charge, plus the charge per kW component of the Variable Distribution Service Charge, and modify less the high voltage discount where applicable plus in the case of Procurement Class 4 customers, charges assessed on PJM's reliability pricing model.

TERM OF CONTRACT.

The initial contract term shall be for at least three years.

PAYMENT TERMS.

Standard.

(D) Denotes Decrease

(C) Denotes Change

PECO Energy Company

RATE POL PRIVATE OUTDOOR LIGHTING

AVAILABILITY.

Outdoor lighting of sidewalks, driveways, yards, lots and similar places, outside the scope of service under Rate SL-S and SL-E.

MONTHLY RATE TABLE.

	<u>PRICE PER LIGHTING UNIT</u>		
	<u>DISTRIBUTION</u>		
	<u>(Co.Pole)</u>	<u>(Cust.Pole)</u>	
<u>MERCURY-VAPOR LAMPS</u>			
100 Watts (nominally 4,000 Lumens)	\$13.53	\$12.09	(D)
175 Watts (nominally 8,000 Lumens)	\$18.41	\$17.03	
250 Watts (nominally 12,000 Lumens)	\$22.74	\$21.51	
400 Watts (nominally 20,000 Lumens)	\$29.40	\$27.78	
400 Watts Floodlight (nominally 22,000 Lumens)	\$31.82	\$30.20	
<u>SODIUM-VAPOR LAMPS</u>			
	<u>DISTRIBUTION</u>		
	<u>(Co.Pole)</u>	<u>(Cust.Pole)</u>	
70 Watts (nominally 5,800 Lumens)	\$18.57	\$17.16	
250 Watts (nominally 25,000 Lumens)	\$29.66	\$28.04	
400 Watts (nominally 50,000 Lumens)	\$32.56	\$30.94	
400 Watts Floodlight (nominally 50,000 Lumens)	\$34.96	\$33.34	
<u>STANDARD METAL HALIDE LAMPS</u>			
	<u>DISTRIBUTION</u>		
	<u>(Co.Pole)</u>	<u>(Cust.Pole)</u>	
100 Watts (nominally 7,800 Lumens)	\$27.64	\$26.73	
175 Watts (nominally 13,000 Lumens)	\$29.06	\$27.36	
250 Watts (nominally 20,500 Lumens)	\$30.81	\$29.12	
400 Watts (nominally 36,000 Lumens)	\$34.43	\$32.85	
1000 Watts (nominally 110,000 Lumens)	\$60.35	\$58.79	
<u>STANDARD HIGH PRESSURE SODIUM LAMPS</u>			
	<u>DISTRIBUTION</u>		
	<u>(Co.Pole)</u>	<u>(Cust.Pole)</u>	
50 Watts (nominally 4,000 Lumens)	\$18.38	\$16.96	
70 Watts (nominally 5,800 Lumens)	\$20.81	\$19.33	
100 Watts (nominally 9,500 Lumens)	\$22.11	\$20.54	
150 Watts (nominally 16,000 Lumens)	\$24.17	\$22.60	
250 Watts (nominally 25,000 Lumens)	\$28.41	\$26.82	
400 Watts (nominally 50,000 Lumens)	\$34.49	\$32.90	
1,000 Watts (nominally 130,000 Lumens)	\$40.23	\$39.61	

The Energy Charges will apply to the customer if the customer receives Default Service. Refer to the Generation Supply Adjustment Procurement Class 2 for the appropriate charges.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Supply Charge shall apply. STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY, CONSERVATION PROGRAM COSTS, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE. (C)

GENERAL PROVISIONS.

1. Standard Lighting Unit. A Standard Lighting Unit shall be a Cobra Head or Floodlight comprised of a bracket, the lead wires and a luminaire, including lamp, reactor and control.

2. Standard Installations. In connection with the standard service provided herein, the Company will install, own and maintain all facilities within highway limits, and all standard service-supply lines and all Lighting Units. The customer will install, own and maintain all poles on the customer's property and all service extensions on the customer's property from the Company's standard service-supply lines.

(D) Denotes Decrease

(C) Denotes Change

PECO Energy Company

RATE SL-S STREET LIGHTING-SUBURBAN COUNTIES

AVAILABILITY.

Outdoor lighting of streets, highways, bridges, parks and similar places located in Suburban Counties.

ANNUAL RATE TABLE - MANUFACTURER'S RATING OF LAMP SIZES.

Incandescent Filament Lamps

<u>Size of Lamp</u>	<u>Billing Watts</u>	<u>Distribution</u>	
320 Lumens	32	\$ 89.69	(D)
600 Lumens	58	\$127.31	
1,000 Lumens	103	\$179.28	
2,500 Lumens	202	\$249.61	
6,000 Lumens	448	\$291.80	
10,000 Lumens	690	\$333.64	

Mercury Vapor Lamps

<u>Size of Lamp</u>	<u>Billing Watts</u>	<u>Distribution</u>
4,000 Lumens	115	\$211.28
8,000 Lumens	191	\$225.43
12,000 Lumens	275	\$242.71
20,000 Lumens	429	\$288.83
42,000 Lumens	768	\$417.41
59,000 Lumens	1,090	\$477.68

Sodium-Vapor Lamps

<u>Size of Lamp</u>	<u>Billing Watts</u>	<u>Distribution</u>
5,800 Lumens	94	\$209.07
9,500 Lumens	131	\$228.45
16,000 Lumens	192	\$258.30
25,000 Lumens	294	\$296.15
50,000 Lumens	450	\$356.43

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment, Procurement Class 2.

STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT, APPLY TO THIS RATE. (C)

The Energy Supply Charges: set forth above will apply to the customer if the customer receives Default Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

GENERAL PROVISIONS.

- Service.** The lighting service will be operated on an all-night, every-night lighting schedule of approximately 4,100 hours annual burning time (average monthly burning hours = 341.11 hours), under which lights are turned on after sunset and off before sunrise. It includes the supply of lamps and their removal when burned out or broken.
- Outage Allowances.** Written notice to the Company prior to 4:00 pm of the failure of any light to burn on the previous night shall entitle the customer to a pro rata reduction to the Company's monthly Variable Distribution Service charges. If the customer receives Default service, the outage allowance will also apply to the Energy & Capacity and Transmission Charges. The monthly bill will be adjusted, pro rate, for the hours of failure if such failure continues for a period in excess of 12 hours after the notice is received. Allowances will not be made for outages resulting from the customer's failure to protect the lighting system or from riot, fire, storm, flood, interference by civil or military authorities, or any other cause beyond the Company's control.
- Lighting Installations.** The prices in the Rate Table apply to all Company-approved installations for (a) federal, state, county and municipal authorities and community associations entering into a contract for lighting service; and (b) building operation developers for lighting, during the development period, of streets that are to be dedicated, where the municipality has approved the lighting and agreed to subsequently assume the charges for it under a standard contract.

Standard lighting installations under standard conditions of supply will be made on the public highways at the expense of the Company to the extent warranted by the revenue in prospect, any additional investment to be assumed by the customer.

(D) Denotes Decrease
 (C) Denotes Change

PECO Energy Company

RATE SL-E STREET LIGHTING CUSTOMER-OWNED FACILITIES

AVAILABILITY.

To any governmental agency for outdoor lighting provided for the safety and convenience of the public of streets, highways, bridges, parks or similar places, including directional highway signs at locations where other outdoor lighting service is established hereunder only if all of the utilization facilities, as defined in Terms and Conditions in this Base Rate, are installed, owned and maintained by a governmental agency.

This rate is also available to community associations of residential property owners both inside and outside the City of Philadelphia for the lighting of streets that are not dedicated. This rate is not available to commercial or industrial customers. All facilities and their installation shall be approved by the Company.

MONTHLY RATE TABLE.

SERVICE LOCATION DISTRIBUTION CHARGE:

For service locations within the City of Philadelphia: \$7.50 per Service Location (as defined below)*

(D)

For service locations outside of the City of Philadelphia \$7.33 per Service Location (as defined below)*

(D)

VARIABLE DISTRIBUTION CHARGE; 0.50¢ per kWh

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2.

* The service location charge includes an Energy Efficiency Program Surcharge of \$0.63 per location within the City of Philadelphia and \$0.46 per location outside of the City of Philadelphia.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service charge shall apply

STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE. (C)

SERVICE LOCATION.

A Service Location shall comprise each lighting installation and must be separately connected to a delivery point on the Company's secondary circuit.

DETERMINATION OF BILLING DEMAND.

The wattage, expressed to the nearest tenth of a watt, of a Service Location shall be composed of manufacturer's rating of its lamps, ballasts, transformers, individual controls and other load components required for its operation. The aggregate of wattages of all Service Locations in service shall constitute the billing demand for the month.

DETERMINATION OF ENERGY BILLED.

The energy use for a month of a Service Location shall be computed to the nearest kilowatt-hour as the product of one-thousandth of its wattage and the effective hours of use of such wattage during the calendar month under the established operation schedules as set forth under Terms and Conditions, Paragraph 6 Service. The aggregate of the kilowatt-hours thus computed for all Active Service Locations shall constitute the energy billed for the month.

TERMS AND CONDITIONS.

1. Ownership of Utilization Facilities.

a. Service Locations Supplied from Aerial Circuits: customer shall provide, own and maintain the Utilization Facilities comprising the brackets, hangers, luminaries, lamps, ballasts, transformers, individual controls, conductors, molding and supporting insulators between the lamp receptacles and line wires of the Company's distribution facilities and any other components as required for the operation of each Service Location.

The Company shall provide the supporting pole or post for such aerially supplied Service Location and will issue authorization to permit the customer to install thereon the said Utilization Facilities.

b. Service Locations Supplied from Underground Circuits: customer shall provide, own and maintain the Utilization Facilities comprising the supporting pole or post, foundation with 90-degree pipe bend, brackets or hangers, luminaries, lamps, ballasts, transformers, individual controls, conductors and conduits from the lamp receptacles to sidewalk level, or in special cases, such as Federally and State financed limited access highways, to a delivery point designated by the Company on its secondary voltage circuit, and shall assume all costs of installing such utilization facilities.

Except as provided in Paragraph 4 Supply Facilities, the Company shall own conduit from the distribution circuit to the 90-degree pipe bend, shall own conductors from its distribution system to the designated delivery point and shall provide sufficient length of conductors for splicing at the designated delivery point or in the post base where sidewalk level access is provided.

2. Standards of Construction for Utilization Facilities. Customer construction shall meet the Company's standards which are based upon the National Electrical Safety Code. Designs of proposed construction deviating from such standards shall be submitted to the Company for approval before proceeding with any work.

(D) Denotes Decrease

(C) Denotes Change

RATE TLCL TRAFFIC LIGHTING CONSTANT LOAD SERVICE

AVAILABILITY.

To any municipality using the Company's standard service for (a) electric traffic signal lights installed, owned and maintained by the municipality, and/or (b) unmetered traffic control cameras or other small constant load electronic devices with a demand of less than 1.2 kW, owned and maintained by the municipality.

To any non-municipal non-residential customer using the Company's standard service for unmetered small constant load electronic devices with a demand of less than 1.2 kW, owned and maintained by the non-municipal customer, which are electrically separate from any other facilities, whether municipally-owned or non-municipally-owned, that are receiving service from PECO as a separate account.

To any non-municipal non-residential customer using the Company's standard service for unmetered small constant load electronic devices with a demand of less than 1.2 kW, owned and maintained by the non-municipal customer, which are electrically integrated with any other facilities, whether municipally-owned or non-municipally-owned, that are receiving service from PECO as a separate account, but only if the non-municipal customer meets the conditions of the Special Termination Rights provision of this Rate.

CURRENT CHARACTERISTICS.

Standard single-phase secondary service.

RATE TABLE.

SERVICE LOCATION CHARGE: \$3.26 PER LOCATION

VARIABLE DISTRIBUTION SERVICE CHARGE: 2.42¢ per kWh*

(D)

*The Variable Distribution charge includes an Energy Efficiency Program Surcharge of 0.90¢ per kWh,

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: Transmission Service Charge shall apply to this rate.

STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY, CONSERVATION PROGRAM COSTS, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

(C)

SPECIAL RULES AND REGULATIONS.

The use of energy will be estimated by the Company on the basis of the size of lamps and controlling apparatus and the burning-hours. The customer shall immediately notify the Company whenever any change is made in the equipment or the burning-hours or constant load devices, so that the Company may forthwith revise its estimate of the energy used.

The Company shall not be liable for damage to person or property arising, accruing or resulting from the attachment of the signal equipment to its poles, wires, or fixtures.

SPECIAL TERMINATION RIGHTS

Some facilities that receive service under Rate TLCL may be electrically configured such that it is not possible to terminate service to the Rate TLCL facility without also terminating service to a facility that is receiving service under a separate account, Rate or Rider. In the event of non-payment of bills for service to such a Rate TLCL facility, PECO will provide a termination notice to the customer. The customer may then, at its discretion, notify PECO that it intends to engage in self-termination by removing its facilities from the PECO system within 30 days. If the customer has not removed its facilities within 30 days, then PECO may, at its sole discretion and upon 72-hour notice, physically remove the customer facility as a means of terminating service to that facility. Taking service under Rate TLCL constitutes full customer permission for PECO to engage in such removals. Notwithstanding any removal of such facilities by either the customer or PECO, the customer shall remain fully obligated to PECO for payment of all charges incurred under Rate TLCL. In addition, the customer shall pay to PECO its full cost of removing the facilities, including direct and indirect labor costs, use of truck or other equipment, fuel costs, and costs of storing the customer equipment, all at PECO's normal rates for such work at such time as it may perform such removals. PECO shall not be liable for damage, if any, to the customer equipment that occurs during removal or storage.

TERM OF CONTRACT.

The initial contract term for each signal light installation and constant load device shall be for at least one year.

PAYMENT TERMS.

Standard.

(D) Denotes Decrease

(C) Denotes Change

AVAILABILITY.

This rate is available only to the National Rail Passenger Corporation (AMTRAK) and to the Southeastern Pennsylvania Transportation Authority (SEPTA) for untransformed service from the Company's standard high-tension lines, where the customer installs, owns, and maintains any transforming, switching and other receiving equipment required and where the service is provided for the operation of electrified transit and railroad systems and appurtenances.

CURRENT CHARACTERISTICS.

Standard sixty hertz (60 Hz) high-tension service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$1,290.79 per delivery point

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$3.03 per kW of billing demand

0.23¢ per kWh for all kWh

(D)

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 4.

ENERGY EFFICIENCY CHARGE: \$0.91 per kW of Peak Load Contribution

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

HIGH VOLTAGE DISTRIBUTION DISCOUNT:

For delivery points supplied at 33,000 volts: 14¢ per kW

For delivery points supplied at 69,000 volts: 45¢ per kW for first 10,000 kW of measured demand.

For delivery points supplied over 69,000 volts: 45¢ per kW for first 100,000 kW of measured demand.

STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

(C)

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 5,000 kilowatts. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract.

CONJUNCTIVE BILLING OF MULTIPLE DELIVERY POINTS.

If the load of a customer located at a delivery point becomes greater than the capacity of the circuits established by the Company to supply the customer at that delivery point, upon the written request of the customer, the Company will establish a new delivery point and bill the customer as if it were delivering and metering the two services at a single point, as long as installation of the new service is, in the Company's opinion, less costly for the Company than upgrading the service to the first delivery point.

(D) Indicates Decrease

(C) Indicates Change

PECO Energy Company

RATE AL - ALLEY LIGHTING IN CITY OF PHILADELPHIA

APPLICABILITY. To multiple, unmetered lighting service supplied the City of Philadelphia to operate lamps and appurtenances for all night outdoor lighting of alleys and courts that are installed, owned and maintained by the City, which assumes the cost involved in making the connections to the Company's facilities. This rate shall no longer be available to new lighting installations effective January 1, 2011.

LIGHTING DISTRIBUTION SERVICE DEFINED. All-night outdoor lighting of alleys and courts by lights installed on poles or supports supplied by the City.

NOTICE TO COMPANY. The City shall give advance notice to the Company of all proposed new installations or of the replacement, removal or reconstruction of existing installations. The City shall advise the Company as to each new installation or change in the equipment or connected load of an existing installation, including any change in burning hours and the date on which such new or changed operation took effect.

MONTHLY RATE TABLE.

SERVICE LOCATION CHARGE: \$2.04 Per Location* (D)

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2.

* The service location charge includes an Energy Efficiency Program Surcharge of \$0.17.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE APPLY TO THIS RATE (C)

PLAN OF MONTHLY BILLING.

Bills may be rendered in equal monthly installments, computed from the calculated annual use of energy, adjusted each month to give effect to any new or changed rate of annual use, by reason of changes in the City's installation, with charge or credit for fractional parts of the month during which a change occurred.

LIABILITY PROVISION.

The Company shall not be liable for damage, or for claims for damage, to persons or property, arising, accruing or resulting from, installation, location or use of lamps, wires, fixtures and appurtenances; or resulting from failure of any light, or lights, to burn for any cause whatsoever.

(D) Indicates Decrease

(C) Indicates Change

**Proposed Changes to
PECO Energy Company Electric Service Tariff No. 4 Supplement No. 25**

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

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

As part of PECO Energy Company's ("PECO") Settlement at Docket R-2010-2161575, PECO was required to consider changing its tax accounting for repairs at such time that the IRS issued guidance as to what qualified as a repair. On August 19, 2011 the IRS issued guidance on the tax repair issue and PECO has since adopted the change in tax accounting on its 2010 tax return. The Settlement in Docket R-2010-2161575 Paragraph E-2 required that if PECO adopted a change in tax accounting for repairs, any reduction associated with the application to prior years (i.e. a catch up adjustment) be refunded to customers over a seven year period through a credit on the bill. This filing establishes a tariff to refund the catch up adjustment in the amount of \$147.9 million (including Gross Receipts Tax) to customers over a seven year period.

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

The total number of electric customers served by PECO was 1,573,578 as of August 31, 2011.

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

The credit will affect all PECO electric customers. As of August 31, 2011, PECO had 1,573,578 electric customers.

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

The proposed change will provide a monthly credit to electric customer's distribution charge for approximately the seven-year period of January 1, 2012 through December 31, 2018.

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

The proposed change affects PECO's revenue and expenses in equal amounts with a total annual tax expense reduction of \$21,379,096 and a reduction in revenue of the same amount. The total tax expense credit and revenue reduction for the applicable disbursement period commencing on January 1, 2012 and ending December 31, 2018 is \$149,653,673

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

There is no effect to the retail service rendered by PECO as a result of the proposed credit.

(a)(7) A list of factors considered by the utility.

In determining the credit, PECO considered IRS Revenue Procedure 2011-43 issued to PECO on August 19, 2011 and the Settlement at Docket No. R-2010-2161575.

(a)(8) Studies undertaken by the utility in order to draft its proposed change.

The Settlement at Docket No. R-2010-2161575 in paragraph E.2 required the Company to consider the change in tax accounting when the IRS issued guidance. In order to be prepared to make a decision on the change in accounting PECO engaged outside tax experts to quantify the impact of the change in tax accounting.

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

No customer polls were taken in the preparation of the proposed credit. However, the changes are as proposed in the Settlement at Docket No. R-2010-2161575 in paragraph E.2.

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

PECO will include notification of the credit in January 2012 bill inserts and post the revised Electric Service Tariff on its website.

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

In the preparation of the proposed tariff changes, PECO considered the Tax Accounting Repair Credit as approved in the Settlement at Docket No. R-2010-2161575 in paragraph E.2 and tax guidance issued by the IRS to PECO on August 19, 2011 at IRS Revenue Procedure 2011-43.

PECO Energy Company
Estimated 481(a) Adjustment for Tax Repairs Accounting Change

<u>481(a) - Extrapolation Years</u>		<u>481(a) - Actual Years</u>		<u>Total 481(a)</u>
<u>Repair Net Value 1991 - 2004</u>		<u>Repair Net Value 2005 - 2009</u>		<u>Catch up Adjustment</u>
Gross Repair Value	\$ 379,107,124	Gross Repair Value	\$ 263,269,836	\$ 642,376,960
Bonus Depreciation	\$ (18,194,578)	Bonus Depreciation	\$ (24,277,890)	\$ (42,472,468)
Regular Depreciation	\$ (100,925,597)	Regular Depreciation	\$ (31,040,902)	\$ (131,966,499)
Basis Adjustments (b)	\$ (193,422,142)	Basis Adjustments(b)	\$ (76,153,139)	\$ (269,575,281)
Repair Net Value	\$ 66,564,807	Repair Net Value	\$ 131,797,905	\$ 198,362,712
Retirement Addback (net at retirement date)	\$ -	Retirement Addback (net at retirement date)	\$ (6,516,306)	\$ (6,516,306)
Additional Depreciation for Unretired	\$ -	Additional Depreciation for Unretired	\$ 1,725,975	\$ 1,725,975
Net Retirement Effect	\$ -	Net Retirement Effect	\$ (4,790,331)	\$ (4,790,331)
Net Net Value of Repair	\$ 71,489,911	Net Net Value of Repair	\$ 136,911,616	\$ 193,572,381
1991 - 2004 Repair Deduction (481a adj.)	\$ 71,489,911	2005 - 2009 Repair Deduction (481a adj.)	\$ 136,911,616	\$ 193,572,381
				Catch up Deduction
				0.35 Federal Tax Rate
				\$ 67,750,333 Tax Benefit
				\$ 115,800,659 Revenue Requirement (Tax Benefit/(1-.41494))
				\$ (400,000) Less: Estimated cost of outside tax expert (a)
				\$ 115,400,659 Net Refund to Customers for Federal Catch up
				\$ 25,423,448 Net Refund to Customers for rState Catch up
				\$ 140,824,107 Total Refund
				\$ 149,653,673 Refund with GRT @ 5.9%

(a) An outside tax expert was retained to help quantify the 481(a) adjustment
(b) Primarily the previously deducted ADR Repair Allowance

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PECO Energy Company
Estimated 481(a) Adjustment for Tax Repairs Accounting Change

<u>481(a) - Extrapolation Years</u>		<u>481(a) - Actual Years</u>		<u>Total 481(a)</u>
<u>Repair Net Value 1991 - 2004</u>		<u>Repair Net Value 2005 - 2009</u>		<u>Catch up Adjustment</u>
Gross Repair Value	\$ 379,107,124	Gross Repair Value	\$ 263,269,836	\$ 642,376,960
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Basis Adjustments (a)	\$ (193,422,142)	Basis Adjustments(a)	\$ (76,153,139)	\$ (269,575,281)
Repair Net Value	\$ 66,564,807	Repair Net Value	\$ 131,797,905	\$ 198,362,712
Retirement Addback (net at retirement date)	\$ -	Retirement Addback (net at retirement date)	\$ (6,516,306)	\$ (6,516,306)
Additional Depreciation for Unretired	\$ -	Additional Depreciation for Unretired	\$ 1,725,975	\$ 1,725,975
Net Retirement Effect	\$ -	Net Retirement Effect	\$ (4,790,331)	\$ (4,790,331)
Net Net Value of Repair	\$ 71,489,911	Net Net Value of Repair	\$ 136,911,616	\$ 193,572,381
Adjustment to bonus depreciation to get the State Repairs Deduction				\$ 35,491,182
				\$ 229,063,563

\$ 229,063,563 State Catch up Deduction
0.064935 State Tax Rate (net of federal)=.099*(1-.35)
\$ 14,874,242 Tax Benefit
\$ 25,423,448 Revenue Requirement (Tax Benefit/(1-.41494))

(a) Primarily the previously deducted ADR Repair Allowance

PECO Energy Company
Net Plant by Class of Service as Filed at Docket R-2010-2161575

(\$1000)

	<u>Total Dollars</u>	<u>Residential</u>	<u>Residential Heating</u>	<u>Off Peak</u>	<u>General Service</u>	<u>Primary Distribution</u>	<u>High Tension</u>	<u>Electric Propulsion</u>	<u>Lighting</u>
Plant	\$ 4,622,936	\$ 2,105,915	\$ 496,813	\$ 50,566	\$ 1,109,229	\$ 45,788	\$ 609,063	\$ 44,301	\$ 161,262
Acc Depn	\$ 1,340,024	\$ 592,204	\$ 141,358	\$ 16,228	\$ 326,795	\$ 12,955	\$ 182,824	\$ 13,280	\$ 54,381
Net Plant	\$ 3,282,912	\$ 1,513,711	\$ 355,455	\$ 34,338	\$ 782,434	\$ 32,833	\$ 426,239	\$ 31,021	\$ 106,881
% Total		46.1%	10.8%	1.0%	23.8%	1.0%	13.0%	0.9%	3.3%
Residential	58.0%	\$ 1,903,503							
Small C&I	23.8%	\$ 782,434							
Large C&I	14.9%	\$ 490,093							
SL	3.3%	\$ 106,881							
		\$ 3,282,911							

Source: PECO Energy Docket R-2010-2161575 Exhibit HSG-1A

PECO Energy Company
Tax Accounting Repair Credit
Rate Credit Calculation by Class of Service

Attachment 4

	Initial Credit Estimate	7 Year Straight Amortization						
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
		2012	2013	2014	2015	2016	2017	2018
Total Net Credit ¹	\$149,653,673	\$21,379,096	\$21,379,096	\$21,379,096	\$21,379,096	\$21,379,096	\$21,379,096	\$21,379,096
Net Plant Basis Allocation								
Residential	58.0%	\$12,396,058	\$12,396,058	\$12,396,058	\$12,396,058	\$12,396,058	\$12,396,058	\$12,396,058
GS	23.8%	\$5,095,396	\$5,095,396	\$5,095,396	\$5,095,396	\$5,095,396	\$5,095,396	\$5,095,396
LC&I	14.9%	\$3,191,603	\$3,191,603	\$3,191,603	\$3,191,603	\$3,191,603	\$3,191,603	\$3,191,603
Lighting	3.3%	\$696,032	\$696,032	\$696,032	\$696,032	\$696,032	\$696,032	\$696,032
Total	100.0%	\$21,379,090	\$21,379,090	\$21,379,090	\$21,379,090	\$21,379,090	\$21,379,090	\$21,379,090
Billing Units ^{2,3}								
Residential		13,575,000,000	13,575,000,000	13,575,000,000	13,575,000,000	13,575,000,000	13,575,000,000	13,575,000,000
GS		8,347,000,000	8,347,000,000	8,347,000,000	8,347,000,000	8,347,000,000	8,347,000,000	8,347,000,000
LC&I		16,650,000,000	16,650,000,000	16,650,000,000	16,650,000,000	16,650,000,000	16,650,000,000	16,650,000,000
POL		74,424	74,424	74,424	74,424	74,424	74,424	74,424
SLS Suburbs		112,824	112,824	112,824	112,824	112,824	112,824	112,824
SLE		2,306,820	2,306,820	2,306,820	2,306,820	2,306,820	2,306,820	2,306,820
TLCL		138,432	138,432	138,432	138,432	138,432	138,432	138,432
Alley Lighting		216,912	216,912	216,912	216,912	216,912	216,912	216,912
TARC Business Unit Credit								
Residential	per kWh	\$ 0.0009	\$ 0.0009	\$ 0.0009	\$ 0.0009	\$ 0.0009	\$ 0.0009	\$ 0.0009
GS	per kWh	\$ 0.0006	\$ 0.0006	\$ 0.0006	\$ 0.0006	\$ 0.0006	\$ 0.0006	\$ 0.0006
HT	per kWh	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002
PD	per kWh	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002
EP	per kWh	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002	\$ 0.0002
POL (monthly)	per lamp	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
SLS Suburbs (annual)	per lamp	\$ 2.88	\$ 2.88	\$ 2.88	\$ 2.88	\$ 2.88	\$ 2.88	\$ 2.88
SLE (monthly)	per location	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
TLCL (monthly)	per location	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24
Alley Lighting (monthly)	per location	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24	\$ 0.24

1 Total Net Credit includes the Gross Tax Receipts of 5.9%

2 Billing Units are kWh for Residential, GS, HT, PD, and EP. LC&I is broken out into HT, PD and EP rates.

3 Billing Units are number of locations for POL, SLS, SLE, TL & AL

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

From: (215) 841-5776
Anna Migliaccio
Exelon
2301 Market Street S15-2
Philadelphia, PA 19103

Origin ID: REDA



Ship Date: 04OCT11
ActWgt: 2.0 LB
CAD: 9876187/NET3180

Delivery Address Bar Code



SHIP TO: (717) 772-7777

BILL SENDER

Rosemary Chiavetta, Secretary
Pa Public Utility Commission
400 NORTH ST FL 2
COMMONWEALTH KEYSTONE BLDG
HARRISBURG, PA 17120

Ref #
Invoice #
PO #
Dept #

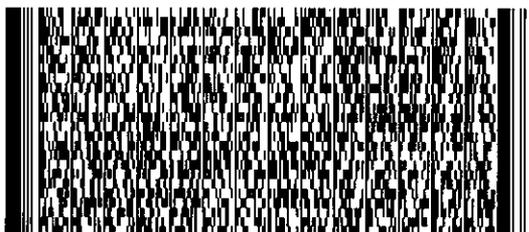
WED - 05 OCT A1
STANDARD OVERNIGHT

TRK# 7975 8709 9389

0201

17120
PA-US
MDT

ZN MDTA



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