



PECO An Exelon Company

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2011 DEC 15 PM 2:06

U.S.
SECRETARY'S BUREAU

December 15, 2011

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. 30
Effective February 1, 2012, Docket No. P-2008-2062739

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission an original and eight (8) copies of Supplement No. 30 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, 2012 through February 29, 2012. This filing is made in accordance with the tariff approved in PECO's Default Service Provider Order at Docket No. P-2008-2062739.

The proposed rate for February reflects an increase of 0.11 cents/kWh compared to January's rate for Procurement Class 4 - Hourly Pricing.

Please note that on Attachment 1, Page 1 of 8, two additional line items are included which reflect the twelve months recovery of the over/(under) collection and net interest through January 31, 2012 associated with the January and February 2011 over/(under) collection and net interest. The net remaining balance is recovered over the remaining three month period February 2012 through April 2012.

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

Rosemary Chiavetta, Secretary
December 15, 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,



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

cc: C. Walker-Davis, Director, Office of Special Assistants
P. 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

ATTACHMENT 1

PECO ENERGY COMPANY

**GSA CALCULATION FOR
PROCUREMENT CLASS 4 – HOURLY PRICING**

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

PECO Generation Supply Adjustment Rate-Procurement Class 4 Hourly (GSA 4 Hourly)
 Application Period: February 1, 2012 through February 29, 2012
 cents/kWh

	Amount	GSA Rate w/o GRT	Rate GS		Rate PD		Rate HT		Rate EP	
			w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio
AS Ancillary Services and Alternative Energy Portfolio Standards Factor										
-Ancillary Service and AEPS (a)	\$ 139,864 page 2	0.50	0.53	0.56	0.52	0.55	0.50	0.53	0.50	0.53
Total Ancillary Service Cost and Alternative Energy Portfolio Standards Factor	\$ 139,864	0.50	0.53	0.56	0.52	0.55	0.50	0.53	0.50	0.53
AC Administrative Cost Factor										
-Administrative Cost	\$ 9,195 page 2	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Total Administrative Service Cost	\$ 9,195	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
E Factor Including Interest										
-Over/(Under) Collection Mar to Oct 2011	1 month sales recovery \$ 776,504 page 6	2.79	2.79	2.96	2.79	2.96	2.79	2.96	2.79	2.96
-Net Interest Mar to Oct 2011	1 month sales recovery \$ 29,518 page 8	0.11	0.11	0.12	0.11	0.12	0.11	0.12	0.11	0.12
-Over/(Under) Collection Jan-Feb 2011 (c)	12 month sales recovery \$ (5,734,818) page 6	(6.62)	(6.62)	(7.04)	(6.62)	(7.04)	(6.62)	(7.04)	(6.62)	(7.04)
-Recovery through Jan 2012 for Over/(Under) Collection Jan-Feb 2011 (c)	12 month sales recovery \$ 3,033,140 pages 5, 6	3.50	3.50	3.72	3.50	3.72	3.50	3.72	3.50	3.72
-Net Interest Jan-Feb 2011 (c)	12 month sales recovery \$ (244,513) page 8	(0.28)	(0.28)	(0.30)	(0.28)	(0.30)	(0.28)	(0.30)	(0.28)	(0.30)
-Recovery through Jan 2012 for Net Interest Jan-Feb 2011 (c)	12 month sales recovery \$ 120,834 pages 7, 8	0.14	0.14	0.15	0.14	0.15	0.14	0.15	0.14	0.15
-Prior Period Over/Under Collection Revenue, Nov 2011 to Jan 2012	1 month sales recovery \$ (235,163) page 5	(0.84)	(0.84)	(0.89)	(0.84)	(0.89)	(0.84)	(0.89)	(0.84)	(0.89)
-Prior Period Interest Revenue, Nov 2011 to Jan 2012	1 month sales recovery \$ (10,700) page 7	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Total E Factor Including Interest	\$ (2,265,198)	(1.24)	(1.24)	(1.32)	(1.24)	(1.32)	(1.24)	(1.32)	(1.24)	(1.32)
WC 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
Total Working Capital Adjustment		0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Total GSA Rate (AS + AC - E + WC)		1.81	1.84	1.95	1.83	1.94	1.81	1.92	1.81	1.92
S Sales for Application Period in kWh	27,843,257 page 3									
S1 Sales for Feb 2012 through Apr 2012 in kWh (c)	86,604,773 page 3									
Gross Receipts Tax (GRT)	5.90%									
(a) Adjusted for overall line loss factor ratio (b) Based on Settlement at Docket No. R-2010-2161575 (c) Reflects the twelve months recovery of the net remaining balance associated with the January and February 2011 over/(under) collection and net interest over the remaining three month period February 2012 through April 2012.										

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

For the Period February 1, 2012 through February 29, 2012

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Administrative Cost (2)
Feb-12	\$139,864	\$9,195

PECO GSA 4 (Hourly) Default kWh Sales
For the Periods February 1, 2012 through February 29, 2012
and February 1, 2012 through April 30, 2012

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh	Rate EP kWh
Feb-12	27,843,257	2,123,499	274,283	25,445,475	0
Feb-12 through Apr-12	86,604,773	5,808,844	894,322	79,901,607	0

**PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections
For the Period January 1, 2011 through October 31, 2011
and November 2011, December 2011 and January 2012**

Month	Default Supplier Hourly Pricing and PECO Provided Spot Energy and Capacity	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance	Administrative Cost	Total Cost Including Administrative Cost	Allocation Factor	Total Allocated Cost Including Administrative Cost
	(1)	(2)	(3)	(4)=(1)+(2)+(3)	(5)	(6)=(4) x (5)
Jan-11	\$ 34,474,082	\$ 1,523,184	\$ 127,566	\$ 36,124,832	1.00000000	\$ 36,124,832
Feb-11	\$ 6,320,627	\$ 361,668	\$ 35,618	\$ 6,717,913	1.00000000	\$ 6,717,913
Mar-11	\$ 4,906,364	\$ 262,903	\$ 29,114	\$ 5,198,381	1.00000000	\$ 5,198,381
Apr-11	\$ 3,706,889	\$ 192,662	\$ 26,307	\$ 3,925,857	1.00000000	\$ 3,925,857
May-11	\$ 5,040,920	\$ 285,803	\$ 43,459	\$ 5,370,182	1.00000000	\$ 5,370,182
Jun-11	\$ 4,448,331	\$ 335,879	\$ 25,449	\$ 4,809,659	1.00000000	\$ 4,809,659
Jul-11	\$ 5,622,952	\$ 425,014	\$ 21,619	\$ 6,069,585	1.00000000	\$ 6,069,585
Aug-11	\$ 4,337,687	\$ 333,931	\$ 26,352	\$ 4,697,971	1.00000000	\$ 4,697,971
Sep-11	\$ 3,485,928	\$ 262,382	\$ 25,521	\$ 3,773,831	1.00000000	\$ 3,773,831
Oct-11	\$ 2,198,869	\$ 165,506	\$ 26,146	\$ 2,390,521	1.00000000	\$ 2,390,521
Nov-11						
Dec-11						
Jan-12						

**PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections
For the Period January 1, 2011 through October 31, 2011
and November 2011, December 2011 and January 2012**

Month	Current Revenue for Over/(Under) Excluding GRT				Prior Period Revenue for Over/(Under) Excluding GRT			Total Current and Prior Period Revenue Excl GRT
	Default Supplier and PECO Provided Current Revenue for Energy, Capacity Excl GRT	Default Supplier and PECO Provided Current Revenue for Ancillary Services and AEPS Excl GRT	Current Revenue for Administrative Cost Excl GRT	Total Current Period Revenue Excl GRT	E Factor Excl Interest and GRT for 1 month recovery	E Factor Excl Interest and GRT for 12 month recovery	E Factor Excl Interest Total Prior Period Revenue Excl GRT	
	(7)	(8)	(9)	(10)=(7)+(8)+(9)	(11)	(12)	(13)=(11)+(12)	(14)=(10)+(13)
Jan-11	\$ 24,455,104	\$ 1,651,272	\$ 60,874	\$ 26,167,250	\$ -	\$ -	\$ -	\$ 26,167,250
Feb-11	\$ 10,251,115	\$ 664,584	\$ 24,978	\$ 10,940,677	\$ -	\$ -	\$ -	\$ 10,940,677
Mar-11	\$ 5,043,998	\$ 409,311	\$ 15,386	\$ 5,468,695	\$ -	\$ -	\$ -	\$ 5,468,695
Apr-11	\$ 3,906,476	\$ 316,729	\$ 17,579	\$ 4,240,784	\$ -	\$ -	\$ -	\$ 4,240,784
May-11	\$ 5,258,624	\$ 427,526	\$ 28,273	\$ 5,714,423	\$ -	\$ 184,181	\$ 184,181	\$ 5,898,604
Jun-11	\$ 4,495,574	\$ 325,692	\$ 24,712	\$ 4,845,978	\$ -	\$ 226,781	\$ 226,781	\$ 5,072,759
Jul-11	\$ 4,757,684	\$ 324,980	\$ 18,642	\$ 5,101,306	\$ (111,455)	\$ 229,466	\$ 118,011	\$ 5,219,317
Aug-11	\$ 5,767,104	\$ 368,408	\$ 20,827	\$ 6,156,339	\$ (313,056)	\$ 547,846	\$ 234,790	\$ 6,391,129
Sep-11	\$ 3,359,340	\$ 301,880	\$ 22,442	\$ 3,683,662	\$ (346,372)	\$ 489,697	\$ 143,325	\$ 3,826,987
Oct-11	\$ 2,500,373	\$ 227,942	\$ 21,014	\$ 2,749,329	\$ (177,142)	\$ 404,246	\$ 227,104	\$ 2,976,433
Nov-11					\$ 818,993	\$ 330,674	\$ 1,149,667	
Dec-11					\$ (1,140,941)	\$ 321,708	\$ (819,233)	
Jan-12					\$ 86,785	\$ 298,541	\$ 385,326	

**PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections
For the Period January 1, 2011 through October 31, 2011
and November 2011, December 2011 and January 2012**

Month	Monthly Over/(Under) Collection (15)=(14)-(6)	Cumulative Over/(Under) Collection (16)=Cumulative from (15)	Monthly Over/(Under) Collection for 12 month recovery (17)=(10)+(12)-(6), column (12) from May 2011	Cumulative Over/(Under) Collection for 12 month recovery (18)=Cumulative from (17)	Monthly Over/(Under) Collection for 1 month recovery (19)=(10)+(11)-(6)	Cumulative Over/(Under) Collection for 1 month recovery (20)=Cumulative from (19)
Jan-11	\$ (9,957,582)	\$ (9,957,582)	\$ (9,957,582)	\$ (9,957,582)	\$ -	\$ -
Feb-11	\$ 4,222,764	\$ (5,734,818)	\$ 4,222,764	\$ (5,734,818)	\$ -	\$ -
Mar-11	\$ 270,314	\$ (5,464,504)	\$ -	\$ (5,734,818)	\$ 270,314	\$ 270,314
Apr-11	\$ 314,927	\$ (5,149,577)	\$ -	\$ (5,734,818)	\$ 314,927	\$ 585,241
May-11	\$ 528,422	\$ (4,621,155)	\$ 184,181	\$ (5,550,637)	\$ 344,241	\$ 929,482
Jun-11	\$ 263,100	\$ (4,358,055)	\$ 226,781	\$ (5,323,856)	\$ 36,319	\$ 965,801
Jul-11	\$ (850,268)	\$ (5,208,323)	\$ 229,466	\$ (5,094,390)	\$ (1,079,734)	\$ (113,933)
Aug-11	\$ 1,693,158	\$ (3,515,165)	\$ 547,846	\$ (4,546,544)	\$ 1,145,312	\$ 1,031,379
Sep-11	\$ 53,156	\$ (3,462,009)	\$ 489,697	\$ (4,056,847)	\$ (436,541)	\$ 594,838
Oct-11	\$ 585,912	\$ (2,876,097)	\$ 404,246	\$ (3,652,601)	\$ 181,666	\$ 776,504
Nov-11			\$ 330,674	\$ (3,321,927)		
Dec-11			\$ 321,708	\$ (3,000,219)		
Jan-12			\$ 298,541	\$ (2,701,678)		

PECO GSA 4 (Hourly) Actual Interest Calculation
For the Period January 1, 2011 through October 31, 2011
and November 2011, December 2011 and January 2012

Month	Current Period Portion of Revenue	Total Cost	Current Over/(Under) Collection for Interest	Interest Rate	Interest Time Factor	Interest Time Factor Denominator	Total Interest to be Returned to / (Recovered from) Customers	Interest Revenue Excl GRT In E Factor Recovered from (Returned to) Customers for 1 month recovery	Interest Revenue Excl GRT In E Factor Recovered from (Returned to) Customers for 12 month recovery	Cumulative Interest to be Returned to / (Recovered from) Customers
	(1) = (10) from Attachment 1, Page 5 of 8	(2) = (6) from Attachment 1, Page 4 of 8	(3) = (1) - (2)	(4)	(5)	(6)	(7) = (3) x (4) x (5) / (6)	(8)	(9)	Cumulative (10) = (7) + (8) + (9)
Jan-11	\$ 26,167,250	\$ 36,124,832	\$ (9,957,582)	6.00%	10	12	\$ (497,879)	\$ -	\$ -	\$ (497,879)
Feb-11	\$ 10,940,677	\$ 6,717,913	\$ 4,222,764	8.00%	9	12	\$ 253,366	\$ -	\$ -	\$ (244,513)
Mar-11	\$ 5,468,695	\$ 5,198,381	\$ 270,314	8.00%	4.5	12	\$ 8,109	\$ -	\$ -	\$ (236,404)
Apr-11	\$ 4,240,784	\$ 3,925,857	\$ 314,927	8.00%	4.5	12	\$ 9,448	\$ -	\$ -	\$ (226,956)
May-11	\$ 5,714,423	\$ 5,370,182	\$ 344,241	8.00%	4.5	12	\$ 10,327	\$ -	\$ 6,140	\$ (210,489)
Jun-11	\$ 4,845,978	\$ 4,809,659	\$ 36,319	8.00%	4.5	12	\$ 1,090	\$ -	\$ 6,479	\$ (202,920)
Jul-11	\$ 5,101,306	\$ 6,069,585	\$ (968,279)	6.00%	4.5	12	\$ (21,786)	\$ (6,556)	\$ 6,556	\$ (224,706)
Aug-11	\$ 6,156,339	\$ 4,697,971	\$ 1,458,368	8.00%	4.5	12	\$ 43,751	\$ (7,114)	\$ 21,345	\$ (166,724)
Sep-11	\$ 3,683,662	\$ 3,773,831	\$ (90,169)	6.00%	4.5	12	\$ (2,029)	\$ (11,944)	\$ 17,916	\$ (162,781)
Oct-11	\$ 2,749,329	\$ 2,390,521	\$ 358,808	8.00%	4.5	12	\$ 10,764	\$ (4,542)	\$ 18,168	\$ (138,391)
Nov-11							\$ -	\$ 19,226	\$ 15,381	
Dec-11							\$ -	\$ (29,926)	\$ 14,963	
Jan-12							\$ -	\$ -	\$ 13,886	

**PECO GSA 4 (Hourly) Actual Interest Calculation
For the Period January 1, 2011 through October 31, 2011
and November 2011, December 2011 and January 2012**

Month	Monthly Portion of Interest, Net of Interest Revenue for 12 month recovery	Cumulative Portion of Interest, Net of Interest Revenue for 12 month recovery	Monthly Portion of Interest, Net of Interest Revenue for 1 month recovery	Cumulative Portion of Interest, Net of Interest Revenue for 1 month recovery
	(11) = (7) for Jan 2011 and Feb 2011+ (9)	(12) = Cumulative from (11)	(13) = (7) + (8)	(14) = Cumulative from (13)
Jan-11	\$ (497,879)	\$ (497,879)	\$ -	\$ -
Feb-11	\$ 253,366	\$ (244,513)	\$ -	\$ -
Mar-11	\$ -	\$ (244,513)	\$ 8,109	\$ 8,109
Apr-11	\$ -	\$ (244,513)	\$ 9,448	\$ 17,557
May-11	\$ 6,140	\$ (238,373)	\$ 10,327	\$ 27,884
Jun-11	\$ 6,479	\$ (231,894)	\$ 1,090	\$ 28,974
Jul-11	\$ 6,556	\$ (225,338)	\$ (28,342)	\$ 632
Aug-11	\$ 21,345	\$ (203,993)	\$ 36,637	\$ 37,269
Sep-11	\$ 17,916	\$ (186,077)	\$ (13,973)	\$ 23,296
Oct-11	\$ 18,168	\$ (167,909)	\$ 6,222	\$ 29,518
Nov-11	\$ 15,381	\$ (152,528)		
Dec-11	\$ 14,963	\$ (137,565)		
Jan-12	\$ 13,886	\$ (123,679)		

ATTACHMENT 2

PECO ENERGY COMPANY

REVISED GSA TARIFF

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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 December 15, 2011

Effective February 1, 2012

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

Generation Supply Adjustment for Procurement Class 4 Loads greater than 500 kW – 15th Revised Page No. 33
Reflects monthly adjustment for procurement class 4 – hourly pricing pursuant to Order at Docket No. P-2008-2062739.

PECO Energy Company

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**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

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

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.

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

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 = $\Sigma O / (U) / S_4 \times \text{usage}$ 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. The first reconciliation shall be for the months of January 2011 and February 2011, and shall be effective May 1, 2011 to be recovered over 12 months. Subsequent monthly reconciliations shall be recovered over a one month period after the occurrence of a quarter.

Tariff Rate	<u>GS</u>	<u>PD</u>	<u>HT</u>	<u>EP</u>
Hourly Pricing Adder* (cents/kWh)	1.95	1.94	1.92	1.92

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

(I)

Fixed Price Contract

The Fixed Price Contract option is eliminated effective January 1, 2012.

(I) Denotes Increase

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

Origin ID: REDA



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

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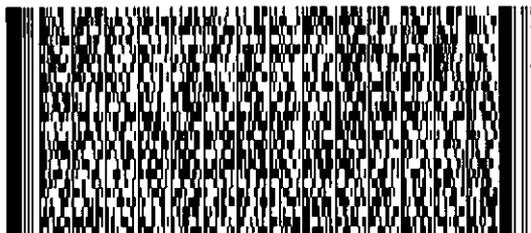
PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU
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