



An Exelon Company

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March 30, 2012

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

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MAR 30 2012

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**SUBJECT:** Alternative Energy Portfolio Standards (AEPS) First Annual Adjustment  
PECO Energy Electric Tariff No. 4, Supplement No. 40  
Effective June 1, 2012  
Docket No. P-00072260

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission eight (8) copies of Supplement No. 40 to PECO Energy's Electric Tariff No. 4. This Supplement contains PECO's annual adjustment to the Alternative Energy Portfolio Standards "AEPS" Surcharge effective June 1, 2012. 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 supports an AEPS rate of \$0.0007/kWh for Procurement Class 1 (Residential). The monthly default service charge for the average (Rate R) residential customer using 500 kWh a month will increase by \$0.35 or 0.4% as a result of this AEPS rate change.

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

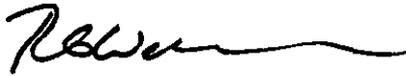
- Attachment 1 - AEPS Calculation for Procurement Class 1 - Residential;
- Attachment 2 - AEPS Calculation for Procurement Class 2 - Small Commercial & Industrial up to 100 kW;
- Attachment 3 - AEPS Calculation for Procurement Class 3 - Medium Commercial & Industrial 101 kW to 500 kW;
- Attachment 4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

Rosemary Chiavetta, Secretary  
March 30, 2012  
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,



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

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**ATTACHMENT 1**

**PECO ENERGY**  
**AEPS**

**CALCULATION FOR PROCUREMENT CLASS 1**  
**RESIDENTIAL**

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**PECO - Electric**  
**2012 AEPS Annual Reconciliation**  
**June 2012 to May 2013**

**Procurement Class 1**

		Amount	\$/kWh	
(1)	C = Projected Recoverable AEPS Costs	\$ 4,631,893	\$0.0005	p. 2 of 5
(2)	E = Experienced & Estimated Net Over/(Under)			
	a. Over/(Under)	\$ (2,259,172)	-\$0.0002	p. 3 of 5
	b. Interest	\$ (237,853)	\$0.0000	p. 4 of 5
	c. RCC Balance	\$ (213,992)	\$0.0000	p. 5 of 5
		\$ (2,711,017)	-\$0.0003	
(3)	Net Recoverable (C - E)	\$ 7,342,910	\$0.0007	
(4)	S = Projected Sales (kWh) for Computation Period	9,980,355,778		
(5)	T = Pennsylvania gross receipts tax rate	5.90%		
(6)	<b>AEPS: [(C-E)/S + RCC/S]/(1-T)</b>	<b>\$0.0007</b>		

# PECO - 2012 AEPS C-Factor Calculation

## Procurement Class 1

C-Factor Month	Projected AEPS Costs <sup>(a)</sup>	Projected Default Sales (kWh)
	(1)	(2)
Jun-12 (est) \$	(97)	864,867,389
Jul-12 (est) \$	146,638	1,131,487,044
Aug-12 (est) \$	133,705	1,031,697,085
Sep-12 (est) \$	93,376	746,643,861
Oct-12 (est) \$	86,316	672,473,425
Nov-12 (est) \$	93,864	750,548,339
Dec-12 (est) \$	114,745	917,509,467
Jan-13 (est) \$	124,079	992,147,819
Feb-13 (est) \$	3,584,386	834,932,795
Mar-13 (est) \$	96,328	770,247,331
Apr-13 (est) \$	80,211	641,373,708
May-13 (est) \$	<u>78,342</u>	<u>626,427,516</u>
<b>Total \$</b>	<b>4,631,893</b>	<b>9,980,355,778</b>

**Estimated Recovery C-Factor**           \$0.0005           per kWh

<sup>(a)</sup> Jun 2012 and Feb 2013 projected costs reflect expense and sale of excess AECs.

# PECO - 2012 AEPS E-Factor Calculation

## Procurement Class 1

E-Factor Period	Actual AEPS Costs (1)	Actual Default Sales (kWh) (2)	C-Factor Rate (3)	C-Factor Revenue (4) = (3) * (2)	C-Factor Over/(Under) Recovery (5) = (4) - (1)	E-Factor Rate (6)	E-Factor Revenue (7) = (6) * (2)	Total Collected Revenue (8) = (7) + (4)	Over/(Under) Recovery (9) = (8) - (1)	Cumulative Over/(Under) Recovery (10)
Balance <sup>(a)</sup>										
Jan-11	\$ 854,428	697,820,917	\$ -	\$ -	\$ (854,428)	\$ -	\$ -	\$ -	\$ (854,428)	\$ (854,428)
Feb-11	\$ 648,302	1,208,777,356	\$ -	\$ -	\$ (648,302)	\$ -	\$ -	\$ -	\$ (648,302)	\$ (1,502,730)
Mar-11	\$ 210,208	937,590,259	\$ -	\$ -	\$ (210,208)	\$ -	\$ -	\$ -	\$ (210,208)	\$ (1,712,938)
Apr-11	\$ 134,989	803,156,261	\$ -	\$ -	\$ (134,989)	\$ -	\$ -	\$ -	\$ (134,989)	\$ (1,847,927)
May-11	\$ 138,726	679,671,467	\$ -	\$ -	\$ (138,726)	\$ -	\$ -	\$ -	\$ (138,726)	\$ (1,986,652)
Jun-11	\$ 2,917	942,654,649	\$ -	\$ -	\$ (2,917)	\$ -	\$ -	\$ -	\$ (2,917)	\$ (1,989,569)
Jul-11	\$ 54,632	1,164,327,299	\$ -	\$ -	\$ (54,632)	\$ -	\$ -	\$ -	\$ (54,632)	\$ (2,044,201)
Aug-11	\$ 42,263	1,247,655,129	\$ -	\$ -	\$ (42,263)	\$ -	\$ -	\$ -	\$ (42,263)	\$ (2,086,465)
Sep-11	\$ 42,709	924,184,984	\$ -	\$ -	\$ (42,709)	\$ -	\$ -	\$ -	\$ (42,709)	\$ (2,129,174)
Oct-11	\$ 26,955	715,329,149	\$ -	\$ -	\$ (26,955)	\$ -	\$ -	\$ -	\$ (26,955)	\$ (2,156,129)
Nov-11	\$ 33,062	679,955,904	\$ -	\$ -	\$ (33,062)	\$ -	\$ -	\$ -	\$ (33,062)	\$ (2,189,191)
Dec-11	\$ 31,014	836,268,330	\$ -	\$ -	\$ (31,014)	\$ -	\$ -	\$ -	\$ (31,014)	\$ (2,220,205)
Jan-12	\$ 38,967	1,017,781,264	\$ -	\$ -	\$ (38,967)	\$ -	\$ -	\$ -	\$ (38,967)	\$ (2,259,172)
	<b>\$ 2,259,172</b>	<b>11,855,172,968</b>		<b>\$ -</b>	<b>\$ (2,259,172)</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,259,172)</b>	

**Total Recovery E-Factor \$ (2,259,172)**

<sup>(a)</sup> Per PECO's AEPS plan and tariff, the first reconciliation period will encompass 13 months.

# PECO - 2012 AEPS Interest Calculation

## Procurement Class 1

E-Factor Period	Actual Sales (kWh) (1)	C-Factor Over/(Under) Recovery (2)	Interest Rate (3)	Interest Time Factor (4)	Interest Owed/ (Interest Recouped) (5) = (2) * (3) * (4)	Interest Refund Rate (6)	Interest Refund (7) = (1) * (6)	Cummulative Interest Owed/ (Interest Recouped) (8) = (5) + (7)
Balance (a)								\$ -
Jan-11	697,820,917	\$ (854,428)	6%	23/12	\$ (98,259)	\$ -	\$ -	\$ (98,259)
Feb-11	1,208,777,356	\$ (648,302)	6%	22/12	\$ (71,313)	\$ -	\$ -	\$ (169,572)
Mar-11	937,590,259	\$ (210,208)	6%	21/12	\$ (22,072)	\$ -	\$ -	\$ (191,644)
Apr-11	803,156,261	\$ (134,989)	6%	20/12	\$ (13,499)	\$ -	\$ -	\$ (205,143)
May-11	679,671,467	\$ (138,726)	6%	19/12	\$ (13,179)	\$ -	\$ -	\$ (218,322)
Jun-11	942,654,649	\$ (2,917)	6%	18/12	\$ (263)	\$ -	\$ -	\$ (218,585)
Jul-11	1,164,327,299	\$ (54,632)	6%	17/12	\$ (4,644)	\$ -	\$ -	\$ (223,228)
Aug-11	1,247,655,129	\$ (42,263)	6%	16/12	\$ (3,381)	\$ -	\$ -	\$ (226,609)
Sep-11	924,184,984	\$ (42,709)	6%	15/12	\$ (3,203)	\$ -	\$ -	\$ (229,813)
Oct-11	715,329,149	\$ (26,955)	6%	14/12	\$ (1,887)	\$ -	\$ -	\$ (231,699)
Nov-11	679,955,904	\$ (33,062)	6%	13/12	\$ (2,149)	\$ -	\$ -	\$ (233,848)
Dec-11	836,268,330	\$ (31,014)	6%	12/12	\$ (1,861)	\$ -	\$ -	\$ (235,709)
Jan-12	1,017,781,264	\$ (38,967)	6%	11/12	\$ (2,143)	\$ -	\$ -	\$ (237,853)
	<b>11,855,172,968</b>	<b>(2,259,172)</b>			<b>(237,853)</b>			
							<b>Net Interest \$</b>	<b>(237,853)</b>

**PECO 2012 AEPS  
RCC Factor Calculation**

**Procurement Class 1**

RCC-Factor Month	RCC Factor <sup>(a)</sup> (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 <sup>(b)</sup>		Amortization Original Balance (7) = (3) - (5)
						(6) = Prev mo (6) + (5) - (3)		
						\$	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	\$ 0.0011	937,590,259	\$ 1,056,927	6%	\$ 55,934	\$	10,185,798	\$ 1,000,993
Apr-11	\$ 0.0011	803,156,261	\$ 905,382	6%	\$ 50,929	\$	9,331,345	\$ 854,453
May-11	\$ 0.0011	679,671,467	\$ 766,180	6%	\$ 46,657	\$	8,611,822	\$ 719,523
Jun-11	\$ 0.0013	942,654,649	\$ 1,239,742	6%	\$ 43,059	\$	7,415,139	\$ 1,196,683
Jul-11	\$ 0.0013	1,164,327,299	\$ 1,531,277	6%	\$ 37,076	\$	5,920,938	\$ 1,494,201
Aug-11	\$ 0.0013	1,247,655,129	\$ 1,640,866	6%	\$ 29,605	\$	4,309,677	\$ 1,611,261
Sep-11	\$ 0.0013	924,184,984	\$ 1,215,451	6%	\$ 21,548	\$	3,115,774	\$ 1,193,903
Oct-11	\$ 0.0013	715,329,149	\$ 940,772	6%	\$ 15,579	\$	2,190,580	\$ 925,193
Nov-11	\$ 0.0013	679,955,904	\$ 894,251	6%	\$ 10,953	\$	1,307,283	\$ 883,298
Dec-11	\$ 0.0013	<u>836,268,330</u>	<u>\$ 1,099,827</u>	6%	<u>\$ 6,536</u>	\$	<u>213,992</u>	<u>\$ 1,093,290</u>
		10,837,391,704	\$ 13,439,944		\$ 446,349			\$ 12,993,596
						<b>RCC Balance \$</b>	<b><u>213,992</u></b>	

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

<sup>(b)</sup> 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**  
**2012 AEPS Annual Reconciliation**  
**June 2012 to May 2013**

**Procurement Class 2**

		Amount	\$/kWh	
(1)	C = Projected Recoverable AEPS Costs	\$ 943,496	\$0.0005	p. 2 of 5
(2)	E = Experienced & Estimated Net Over/(Under)			
	a. Over/(Under)	\$ (720,475)	-\$0.0004	p. 3 of 5
	b. Interest	\$ (75,783)	\$0.0000	p. 4 of 5
	c. RCC Balance	\$ <u>(250,166)</u>	-\$0.0001	p. 5 of 5
		\$ (1,046,423)	-\$0.0005	
(3)	Net Recoverable (C - E)	\$ 1,989,920	\$0.0010	
(5)	S = Projected Sales (kWh) for Computation Period	1,978,268,503		
(6)	T = Pennsylvania gross receipts tax rate	5.90%		
(7)	<b>AEPS: [(C-E)/S + RCC/S]/(1-T)</b>	<b>\$0.0011</b>		

**PECO - 2012 AEPS  
C-Factor Calculation**

**Procurement Class 2**

C-Factor Month	Projected AEPS Costs <sup>(a)</sup>	Projected Default Sales (kWh)
	(1)	(2)
Jun-12 (est) \$	(7,111)	173,853,735
Jul-12 (est) \$	25,294	196,946,575
Aug-12 (est) \$	24,367	189,734,637
Sep-12 (est) \$	21,118	165,823,774
Oct-12 (est) \$	18,710	149,293,655
Nov-12 (est) \$	18,199	148,709,852
Dec-12 (est) \$	18,695	152,762,195
Jan-13 (est) \$	22,684	185,357,979
Feb-13 (est) \$	745,863	160,840,923
Mar-13 (est) \$	19,520	159,503,046
Apr-13 (est) \$	17,799	145,439,425
May-13 (est) \$	<u>18,357</u>	<u>150,002,708</u>
<b>Total \$</b>	<b>943,496</b>	<b>1,978,268,503</b>

**Estimated Recovery C-Factor \$0.0005 per kWh**

<sup>(a)</sup> Jun 2012 and Feb 2013 projected costs reflect expense and sale of excess AECs.

**PECO - 2012 AEPS  
E-Factor Calculation**

**Procurement Class 2**

E-Factor Period	Actual AEPS Costs (1)	Actual Default Sales (kWh) (2)	C-Factor Rate (3)	C-Factor Revenue (4) = (3) * (2)	C-Factor Over/(Under) Recovery (5) = (4) - (1)	E-Factor Rate (6)	E-Factor Revenue (7) = (6) * (2)	Total Collected Revenue (8) = (7) + (4)	Over/(Under) Recovery (9) = (8) - (1)	Cumulative Over/(Under) Recovery (10)
Balance <sup>(a)</sup>										
Jan-11	\$ 218,504	185,899,057	\$ -	\$ -	\$ (218,504)	\$ -	\$ -	\$ -	\$ (218,504)	\$ (218,504)
Feb-11	\$ 155,123	276,576,082	\$ -	\$ -	\$ (155,123)	\$ -	\$ -	\$ -	\$ (155,123)	\$ (373,627)
Mar-11	\$ 142,214	236,565,684	\$ -	\$ -	\$ (142,214)	\$ -	\$ -	\$ -	\$ (142,214)	\$ (515,841)
Apr-11	\$ 129,439	220,323,242	\$ -	\$ -	\$ (129,439)	\$ -	\$ -	\$ -	\$ (129,439)	\$ (645,280)
May-11	\$ 13,915	168,785,970	\$ -	\$ -	\$ (13,915)	\$ -	\$ -	\$ -	\$ (13,915)	\$ (659,195)
Jun-11	\$ 216	229,221,243	\$ -	\$ -	\$ (216)	\$ -	\$ -	\$ -	\$ (216)	\$ (659,411)
Jul-11	\$ 11,803	245,292,943	\$ -	\$ -	\$ (11,803)	\$ -	\$ -	\$ -	\$ (11,803)	\$ (671,214)
Aug-11	\$ 9,344	238,128,833	\$ -	\$ -	\$ (9,344)	\$ -	\$ -	\$ -	\$ (9,344)	\$ (680,558)
Sep-11	\$ 10,681	189,417,364	\$ -	\$ -	\$ (10,681)	\$ -	\$ -	\$ -	\$ (10,681)	\$ (691,239)
Oct-11	\$ 6,974	174,203,733	\$ -	\$ -	\$ (6,974)	\$ -	\$ -	\$ -	\$ (6,974)	\$ (698,213)
Nov-11	\$ 7,475	159,804,917	\$ -	\$ -	\$ (7,475)	\$ -	\$ -	\$ -	\$ (7,475)	\$ (705,687)
Dec-11	\$ 6,864	184,660,342	\$ -	\$ -	\$ (6,864)	\$ -	\$ -	\$ -	\$ (6,864)	\$ (712,552)
Jan-12	\$ 7,923	195,418,185	\$ -	\$ -	\$ (7,923)	\$ -	\$ -	\$ -	\$ (7,923)	\$ (720,475)
	\$ 720,475	2,704,297,595	\$ -	\$ -	\$ (720,475)	\$ -	\$ -	\$ -	\$ (720,475)	
<b>Total Recovery E-Factor</b>										<b>\$ (720,475)</b>

<sup>(a)</sup> Per PECO's AEPS plan and tariff, the first reconciliation period will encompass 13 months.

**PECO - 2012 AEPS  
Interest Calculation**

**Procurement Class 2**

E-Factor Period	Actual Sales (kWh) (1)	C-Factor Over/(Under) Recovery (2)	Interest Rate (3)	Interest Time Factor (4)	Interest Owed/ (Interest Recouped) (5) = (2) * (3) * (4)	Interest Refund Rate (6)	Interest Refund (7) = (1) * (6)	Cummulative Interest Owed/ (Interest Recouped) (8) = (5) + (7)
Balance (a)								\$ -
Jan-11	185,899,057	\$ (218,504)	6%	23/12	\$ (25,128)	\$ -	\$ -	\$ (25,128)
Feb-11	276,576,082	\$ (155,123)	6%	22/12	\$ (17,064)	\$ -	\$ -	\$ (42,192)
Mar-11	236,565,684	\$ (142,214)	6%	21/12	\$ (14,932)	\$ -	\$ -	\$ (57,124)
Apr-11	220,323,242	\$ (129,439)	6%	20/12	\$ (12,944)	\$ -	\$ -	\$ (70,068)
May-11	168,785,970	\$ (13,915)	6%	19/12	\$ (1,322)	\$ -	\$ -	\$ (71,390)
Jun-11	229,221,243	\$ (216)	6%	18/12	\$ (19)	\$ -	\$ -	\$ (71,409)
Jul-11	245,292,943	\$ (11,803)	6%	17/12	\$ (1,003)	\$ -	\$ -	\$ (72,412)
Aug-11	238,128,833	\$ (9,344)	6%	16/12	\$ (748)	\$ -	\$ -	\$ (73,160)
Sep-11	189,417,364	\$ (10,681)	6%	15/12	\$ (801)	\$ -	\$ -	\$ (73,961)
Oct-11	174,203,733	\$ (6,974)	6%	14/12	\$ (488)	\$ -	\$ -	\$ (74,449)
Nov-11	159,804,917	\$ (7,475)	6%	13/12	\$ (486)	\$ -	\$ -	\$ (74,935)
Dec-11	184,660,342	\$ (6,864)	6%	12/12	\$ (412)	\$ -	\$ -	\$ (75,347)
Jan-12	195,418,185	\$ (7,923)	6%	11/12	\$ (436)	\$ -	\$ -	\$ (75,783)
	<b>2,704,297,595</b>	<b>(720,475)</b>			<b>(75,783)</b>		<b>\$ -</b>	
					<b>Net Interest</b>			<b>\$ (75,783)</b>

**PECO 2012 AEPS  
RCC Factor Calculation**

**Procurement Class 2**

RCC-Factor Month	RCC Factor <sup>(a)</sup> (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 <sup>(b)</sup> (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	\$ 0.0013	236,565,684	\$ 311,122	6%	\$ 16,236	\$ 2,952,226	\$ 294,886
Apr-11	\$ 0.0013	220,323,242	\$ 289,760	6%	\$ 14,761	\$ 2,677,227	\$ 274,999
May-11	\$ 0.0013	168,785,970	\$ 221,981	6%	\$ 13,386	\$ 2,468,633	\$ 208,594
Jun-11	\$ 0.0016	229,221,243	\$ 366,062	6%	\$ 12,343	\$ 2,114,914	\$ 353,719
Jul-11	\$ 0.0016	245,292,943	\$ 391,728	6%	\$ 10,575	\$ 1,733,761	\$ 381,153
Aug-11	\$ 0.0016	238,128,833	\$ 380,287	6%	\$ 8,669	\$ 1,362,143	\$ 371,618
Sep-11	\$ 0.0016	189,417,364	\$ 302,496	6%	\$ 6,811	\$ 1,066,458	\$ 295,685
Oct-11	\$ 0.0016	174,203,733	\$ 278,200	6%	\$ 5,332	\$ 793,590	\$ 272,868
Nov-11	\$ 0.0016	159,804,917	\$ 255,205	6%	\$ 3,968	\$ 542,353	\$ 251,237
Dec-11	\$ 0.0016	<u>184,660,342</u>	<u>\$ 294,899</u>	6%	<u>\$ 2,712</u>	<u>\$ 250,166</u>	<u>\$ 292,187</u>
		2,508,879,410	\$ 3,699,968		\$ 131,848		\$ 3,568,120
					<b>RCC Balance</b>	<b>\$ 250,166</b>	

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

<sup>(b)</sup> 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**

**RECEIVED**

MAR 30 2012

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**PECO - Electric**  
**2012 AEPS Annual Reconciliation**  
**June 2012 to May 2013**

**Procurement Class 3**

		<b>Amount</b>	<b>\$/kWh</b>	
(1)	C = Projected Recoverable AEPS Costs	\$ 374,939	\$0.0004	p. 2 of 5
(2)	E = Experienced & Estimated Net Over/(Under)			
	a. Over/(Under)	\$ (601,908)	-\$0.0006	p. 3 of 5
	b. Interest	\$ (63,308)	-\$0.0001	p. 4 of 5
	c. RCC Balance	\$ <u>(1,055,703)</u>	-\$0.0010	p. 5 of 5
		\$ (1,720,918)	-\$0.0016	
(3)	Net Recoverable (C - E)	\$ 2,095,857	\$0.0020	
(5)	S = Projected Sales (kWh) for Computation Period	1,066,311,351		
(6)	T = Pennsylvania gross receipts tax rate	5.90%		
(7)	<b>AEPS: [(C-E)/S + RCC/S]/(1-T)</b>	<b>\$0.0021</b>		

## PECO - 2012 AEPS C-Factor Calculation

### Procurement Class 3

C-Factor Month	Projected AEPS Costs <sup>(a)</sup>	Projected Default Sales (kWh)
	(1)	(2)
Jun-12 (est)	\$ (40,008)	96,237,721
Jul-12 (est)	\$ 13,488	105,766,623
Aug-12 (est)	\$ 13,095	102,689,273
Sep-12 (est)	\$ 11,549	90,566,952
Oct-12 (est)	\$ 10,802	82,850,638
Nov-12 (est)	\$ 10,297	80,745,438
Dec-12 (est)	\$ 10,654	85,407,398
Jan-13 (est)	\$ 11,972	97,827,680
Feb-13 (est)	\$ 303,224	80,181,973
Mar-13 (est)	\$ 10,562	86,306,021
Apr-13 (est)	\$ 9,641	78,778,721
May-13 (est)	\$ 9,662	78,952,912
<b>Total</b>	<b>\$ 374,939</b>	<b>1,066,311,351</b>

Estimated Recovery C-Factor                     \$0.0004 per kWh

<sup>(a)</sup> Jun 2012 and Feb 2013 projected costs reflect expense and sale of excess AECs.

**PECO - 2012 AEPS  
E-Factor Calculation**

**Procurement Class 3**

E-Factor Period	Actual AEPS Costs (1)	Actual Default Sales (kWh) (2)	C-Factor Rate (3)	C-Factor Revenue (4) = (3) * (2)	C-Factor Over/(Under) Recovery (5) = (4) - (1)	E-Factor Rate (6)	E-Factor Revenue (7) = (6) * (2)	Total Collected Revenue (8) = (7) + (4)	Over/(Under) Recovery (9) = (8) - (1)	Cumulative Over/(Under) Recovery (10)
<b>Balance</b> <sup>(a)</sup>										
Jan-11	\$ 195,747	194,907,653	\$ -	\$ -	\$ (195,747)	\$ -	\$ -	\$ -	\$ (195,747)	\$ (195,747)
Feb-11	\$ 107,212	187,445,939	\$ -	\$ -	\$ (107,212)	\$ -	\$ -	\$ -	\$ (107,212)	\$ (302,958)
Mar-11	\$ 97,203	133,191,653	\$ -	\$ -	\$ (97,203)	\$ -	\$ -	\$ -	\$ (97,203)	\$ (400,162)
Apr-11	\$ 83,284	122,554,944	\$ -	\$ -	\$ (83,284)	\$ -	\$ -	\$ -	\$ (83,284)	\$ (483,446)
May-11	\$ 84,574	107,701,296	\$ -	\$ -	\$ (84,574)	\$ -	\$ -	\$ -	\$ (84,574)	\$ (568,020)
Jun-11	\$ 116	116,840,157	\$ -	\$ -	\$ (116)	\$ -	\$ -	\$ -	\$ (116)	\$ (568,137)
Jul-11	\$ 7,224	127,028,484	\$ -	\$ -	\$ (7,224)	\$ -	\$ -	\$ -	\$ (7,224)	\$ (575,361)
Aug-11	\$ 5,931	114,286,903	\$ -	\$ -	\$ (5,931)	\$ -	\$ -	\$ -	\$ (5,931)	\$ (581,292)
Sep-11	\$ 3,561	89,551,640	\$ -	\$ -	\$ (3,561)	\$ -	\$ -	\$ -	\$ (3,561)	\$ (584,853)
Oct-11	\$ 4,371	93,172,742	\$ -	\$ -	\$ (4,371)	\$ -	\$ -	\$ -	\$ (4,371)	\$ (589,224)
Nov-11	\$ 4,530	77,390,345	\$ -	\$ -	\$ (4,530)	\$ -	\$ -	\$ -	\$ (4,530)	\$ (593,753)
Dec-11	\$ 3,816	84,658,895	\$ -	\$ -	\$ (3,816)	\$ -	\$ -	\$ -	\$ (3,816)	\$ (597,569)
Jan-12	\$ 4,339	103,716,468	\$ -	\$ -	\$ (4,339)	\$ -	\$ -	\$ -	\$ (4,339)	\$ (601,908)
	<b>\$ 601,908</b>	<b>1,552,447,119</b>		<b>\$ -</b>	<b>\$ (601,908)</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ (601,908)</b>	

**Total Recovery E-Factor** \$ (601,908)

<sup>(a)</sup> Per PECO's AEPS plan and tariff, the first reconciliation period will encompass 13 months.

**PECO - 2012 AEPS  
Interest Calculation**

**Procurement Class 3**

E-Factor Period	Actual Sales (kWh) (1)	C-Factor Over/(Under) Recovery (2)	Interest Rate (3)	Interest Time Factor (4)	Interest Owed/ (Interest Recouped) (5) = (2) * (3) * (4)	Interest Refund Rate (6)	Interest Refund (7) = (1) * (6)	Cummulative Interest Owed/ (Interest Recouped) (8) = (5) + (7)
<b>Balance (a)</b>								\$ -
Jan-11	194,907,653	\$ (195,747)	6%	23/12	\$ (22,511)	\$ -	\$ -	\$ (22,511)
Feb-11	187,445,939	\$ (107,212)	6%	22/12	\$ (11,793)	\$ -	\$ -	\$ (34,304)
Mar-11	133,191,653	\$ (97,203)	6%	21/12	\$ (10,206)	\$ -	\$ -	\$ (44,511)
Apr-11	122,554,944	\$ (83,284)	6%	20/12	\$ (8,328)	\$ -	\$ -	\$ (52,839)
May-11	107,701,296	\$ (84,574)	6%	19/12	\$ (8,035)	\$ -	\$ -	\$ (60,874)
Jun-11	116,840,157	\$ (116)	6%	18/12	\$ (10)	\$ -	\$ -	\$ (60,884)
Jul-11	127,028,484	\$ (7,224)	6%	17/12	\$ (614)	\$ -	\$ -	\$ (61,498)
Aug-11	114,286,903	\$ (5,931)	6%	16/12	\$ (475)	\$ -	\$ -	\$ (61,973)
Sep-11	89,551,640	\$ (3,561)	6%	15/12	\$ (267)	\$ -	\$ -	\$ (62,240)
Oct-11	93,172,742	\$ (4,371)	6%	14/12	\$ (306)	\$ -	\$ -	\$ (62,546)
Nov-11	77,390,345	\$ (4,530)	6%	13/12	\$ (294)	\$ -	\$ -	\$ (62,840)
Dec-11	84,658,895	\$ (3,816)	6%	12/12	\$ (229)	\$ -	\$ -	\$ (63,069)
Jan-12	103,716,468	\$ (4,339)	6%	11/12	\$ (239)	\$ -	\$ -	\$ (63,308)
	<b>1,552,447,119</b>	<b>(601,908)</b>			<b>(63,308)</b>			
					<b>Net Interest</b>			<b>\$ (63,308)</b>

**PECO 2012 AEPS  
RCC Factor Calculation**

**Procurement Class 3**

RCC-Factor Month	RCC Factor <sup>(a)</sup> (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 <sup>(b)</sup> (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	\$ 0.0014	133,191,653	\$ 187,680	6%	\$ 14,903	\$ 2,807,780	\$ 172,778
Apr-11	\$ 0.0014	122,554,944	\$ 172,692	6%	\$ 14,039	\$ 2,649,127	\$ 158,653
May-11	\$ 0.0014	107,701,296	\$ 151,762	6%	\$ 13,246	\$ 2,510,611	\$ 138,516
Jun-11	\$ 0.0022	116,840,157	\$ 252,447	6%	\$ 12,553	\$ 2,270,717	\$ 239,894
Jul-11	\$ 0.0022	127,028,484	\$ 274,460	6%	\$ 11,354	\$ 2,007,610	\$ 263,107
Aug-11	\$ 0.0022	114,286,903	\$ 246,931	6%	\$ 10,038	\$ 1,770,718	\$ 236,893
Sep-11	\$ 0.0022	89,551,640	\$ 193,487	6%	\$ 8,854	\$ 1,586,084	\$ 184,633
Oct-11	\$ 0.0022	93,172,742	\$ 201,311	6%	\$ 7,930	\$ 1,392,704	\$ 193,380
Nov-11	\$ 0.0022	77,390,345	\$ 167,211	6%	\$ 6,964	\$ 1,232,456	\$ 160,248
Dec-11	\$ 0.0022	<u>84,658,895</u>	<u>\$ 182,916</u>	6%	<u>\$ 6,162</u>	<u>\$ 1,055,703</u>	<u>\$ 176,753</u>
		1,448,730,651	\$ 2,569,672		\$ 139,613		\$ 2,430,058
						<b>RCC Balance \$ <u>1,055,703</u></b>	

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

<sup>(b)</sup> 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**

**RECEIVED**

MAR 30 2012

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**PECO - Electric**  
**2012 AEPS Annual Reconciliation**  
**June 2012 to May 2013**

<b>Procurement Class 4</b>	<b>Amount</b>	<b>\$/kWh</b>	
(1) C = Projected Recoverable AEPS Costs	\$ 184,098	\$0.0004	p. 2 of 5
(2) E = Experienced & Estimated Net Over/(Under) (a)			
a. Over/(Under)	\$ (426,193)	-\$0.0009	p. 3 of 5
b. Interest	\$ (47,542)	-\$0.0001	p. 4 of 5
c. RCC Balance	<u>\$ (1,757,491)</u>	-\$0.0036	p. 5 of 5
	\$ (2,231,226)	-\$0.0046	
(3) Net Recoverable (C - E)	\$ 2,415,324	\$0.0049	
(5) S = Projected Sales (kWh) for Computation Period	489,286,297		
(6) T = Pennsylvania gross receipts tax rate	5.90%		
(7) <b>AEPS: [(C-E)/S + RCC/S]/(1-T)</b>	<b>\$0.0052</b>		

**PECO - 2012 AEPS  
C-Factor Calculation**

**Procurement Class 4**

C-Factor Month	Projected AEPS Costs <sup>(a)</sup>	Projected Default Sales (kWh)
	(1)	(2)
Jun-12 (est) \$	(57,981)	49,024,409
Jul-12 (est) \$	6,233	50,933,043
Aug-12 (est) \$	6,062	49,535,908
Sep-12 (est) \$	5,419	44,277,410
Oct-12 (est) \$	5,068	40,522,220
Nov-12 (est) \$	4,580	37,425,500
Dec-12 (est) \$	5,175	42,282,957
Jan-13 (est) \$	4,364	35,656,168
Feb-13 (est) \$	192,120	32,920,220
Mar-13 (est) \$	4,739	38,719,697
Apr-13 (est) \$	4,285	35,015,176
May-13 (est) \$	4,035	<u>32,973,589</u>
<b>Total \$</b>	<b>184,098</b>	<b>489,286,297</b>

**Estimated Recovery C-Factor                     \$0.0004 per kWh**

<sup>(a)</sup> Jun 2012 and Feb 2013 projected costs reflect expense and sale of excess AECs.

**PECO - 2012 AEPS  
E-Factor Calculation**

**Procurement Class 4**

E-Factor Period	Actual AEPS Costs (1)	Actual Default Sales (kWh) (2)	C-Factor Rate (3)	C-Factor Revenue (4) = (3) * (2)	C-Factor Over/(Under) Recovery (5) = (4) - (1)	E-Factor Rate (6)	E-Factor Revenue (7) = (6) * (2)	Total Collected Revenue (8) = (7) + (4)	Over/(Under) Recovery (9) = (8) - (1)	Cumulative Over/(Under) Recovery (10)
Balance <sup>(a)</sup>										
Jan-11	\$ 253,207	336,643,431	\$ -	\$ -	\$ (253,207)	\$ -	\$ -	\$ -	\$ (253,207)	\$ (253,207)
Feb-11	\$ 65,842	132,945,691	\$ -	\$ -	\$ (65,842)	\$ -	\$ -	\$ -	\$ (65,842)	\$ (319,049)
Mar-11	\$ 48,559	82,348,190	\$ -	\$ -	\$ (48,559)	\$ -	\$ -	\$ -	\$ (48,559)	\$ (367,608)
Apr-11	\$ 39,170	64,252,685	\$ -	\$ -	\$ (39,170)	\$ -	\$ -	\$ -	\$ (39,170)	\$ (406,778)
May-11	\$ 38,700	87,439,872	\$ -	\$ -	\$ (38,700)	\$ -	\$ -	\$ -	\$ (38,700)	\$ (445,478)
Jun-11	\$ 60	66,922,476	\$ 0.0001	\$ 6,692	\$ 6,632	\$ -	\$ -	\$ 6,692	\$ 6,632	\$ (438,846)
Jul-11	\$ 5,724	66,352,304	\$ 0.0001	\$ 6,635	\$ 911	\$ -	\$ -	\$ 6,635	\$ 911	\$ (437,935)
Aug-11	\$ 5,607	76,287,820	\$ 0.0001	\$ 7,629	\$ 2,022	\$ -	\$ -	\$ 7,629	\$ 2,022	\$ (435,913)
Sep-11	\$ 893	61,087,273	\$ 0.0001	\$ 6,109	\$ 5,215	\$ -	\$ -	\$ 6,109	\$ 5,215	\$ (430,697)
Oct-11	\$ 3,288	48,475,584	\$ 0.0001	\$ 4,848	\$ 1,560	\$ -	\$ -	\$ 4,848	\$ 1,560	\$ (429,138)
Nov-11	\$ 3,283	41,311,948	\$ 0.0001	\$ 4,131	\$ 848	\$ -	\$ -	\$ 4,131	\$ 848	\$ (428,289)
Dec-11	\$ 3,169	41,910,767	\$ 0.0001	\$ 4,191	\$ 1,022	\$ -	\$ -	\$ 4,191	\$ 1,022	\$ (427,267)
Jan-12	\$ 4,040	51,138,389	\$ 0.0001	\$ 5,114	\$ 1,074	\$ -	\$ -	\$ 5,114	\$ 1,074	\$ (426,193)
	\$ 471,542	1,157,116,430		\$ 45,349	\$ (426,193)		\$ -	\$ 45,349	\$ (426,193)	

**Total Recovery E-Factor \$ (426,193)**

<sup>(a)</sup> Per PECO's AEPS plan and tariff, the first reconciliation period will encompass 13 months.

**PECO - 2012 AEPS  
Interest Calculation**

**Procurement Class 4**

E-Factor Period	Actual Sales (kWh) (1)	C-Factor Over/(Under) Recovery (2)	Interest Rate (3)	Interest Time Factor (4)	Interest Owed/ (Interest Recouped) (5) = (2) * (3) * (4)	Interest Refund Rate (6)	Interest Refund (7) = (1) * (6)	Cummulative Interest Owed/ (Interest Recouped) (8) = (5) + (7)
Balance (a)								\$ -
Jan-11	336,643,431	\$ (253,207)	6%	23/12	\$ (29,119)	\$ -	\$ -	\$ (29,119)
Feb-11	132,945,691	\$ (65,842)	6%	22/12	\$ (7,243)	\$ -	\$ -	\$ (36,361)
Mar-11	82,348,190	\$ (48,559)	6%	21/12	\$ (5,099)	\$ -	\$ -	\$ (41,460)
Apr-11	64,252,685	\$ (39,170)	6%	20/12	\$ (3,917)	\$ -	\$ -	\$ (45,377)
May-11	87,439,872	\$ (38,700)	6%	19/12	\$ (3,677)	\$ -	\$ -	\$ (49,054)
Jun-11	66,922,476	\$ 6,632	6%	18/12	\$ 597	\$ -	\$ -	\$ (48,457)
Jul-11	66,352,304	\$ 911	6%	17/12	\$ 77	\$ -	\$ -	\$ (48,379)
Aug-11	76,287,820	\$ 2,022	6%	16/12	\$ 162	\$ -	\$ -	\$ (48,218)
Sep-11	61,087,273	\$ 5,215	6%	15/12	\$ 391	\$ -	\$ -	\$ (47,826)
Oct-11	48,475,584	\$ 1,560	6%	14/12	\$ 109	\$ -	\$ -	\$ (47,717)
Nov-11	41,311,948	\$ 848	6%	13/12	\$ 55	\$ -	\$ -	\$ (47,662)
Dec-11	41,910,767	\$ 1,022	6%	12/12	\$ 61	\$ -	\$ -	\$ (47,601)
Jan-12	51,138,389	\$ 1,074	6%	11/12	\$ 59	\$ -	\$ -	\$ (47,542)
	<b>1,157,116,430</b>	<b>(426,193)</b>			<b>(47,542)</b>			
					<b>Net Interest</b>			<b>\$ (47,542)</b>

**PECO 2012 AEPS  
RCC Factor Calculation**

**Procurement Class 4**

RCC-Factor Month	RCC Factor <sup>(a)</sup> (1)	Projected Default Billed Sales (kWh) (2)	RCC Revenue (3) = (1) * (2)	Interest Rate (4)	Interest Recouped (5) = Prev mo (6) * (4)/12	Cumulative		Amortization
						RCC Balance <sup>(b)</sup> (6) = Prev mo (6) + (5) - (3)	Original Balance (7) = (3) - (5)	
						\$	3,154,750	
Jan-11	\$ 0.0012	336,643,431	\$ 411,116	6%	\$ 15,774	\$	2,759,408	\$ 395,342
Feb-11	\$ 0.0012	132,945,691	\$ 162,356	6%	\$ 13,797	\$	2,610,849	\$ 148,559
Mar-11	\$ 0.0012	82,348,190	\$ 100,565	6%	\$ 13,054	\$	2,523,338	\$ 87,511
Apr-11	\$ 0.0012	64,252,685	\$ 78,467	6%	\$ 12,617	\$	2,457,488	\$ 65,850
May-11	\$ 0.0012	87,439,872	\$ 106,783	6%	\$ 12,287	\$	2,362,992	\$ 94,496
Jun-11	\$ 0.0017	66,922,476	\$ 112,755	6%	\$ 11,815	\$	2,262,052	\$ 100,940
Jul-11	\$ 0.0017	66,352,304	\$ 111,794	6%	\$ 11,310	\$	2,161,568	\$ 100,484
Aug-11	\$ 0.0017	76,287,820	\$ 128,534	6%	\$ 10,808	\$	2,043,842	\$ 117,726
Sep-11	\$ 0.0017	61,087,273	\$ 102,924	6%	\$ 10,219	\$	1,951,137	\$ 92,704
Oct-11	\$ 0.0017	48,475,584	\$ 81,675	6%	\$ 9,756	\$	1,879,218	\$ 71,919
Nov-11	\$ 0.0017	41,311,948	\$ 69,605	6%	\$ 9,396	\$	1,819,010	\$ 60,209
Dec-11	\$ 0.0017	<u>41,910,767</u>	<u>\$ 70,614</u>	6%	<u>\$ 9,095</u>	\$	1,757,491	<u>\$ 61,519</u>
		1,105,978,041	\$ 1,537,187		\$ 139,928			\$ 1,397,259
						<b>RCC Balance \$</b>	<b><u>1,757,491</u></b>	

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

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

**ATTACHMENT 5**

**PECO ENERGY  
REVISED AEPS  
TARIFF**

**RECEIVED**

MAR 30 2012

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

# PECO Energy Company

Electric Service Tariff

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**COMPANY OFFICE LOCATION**

2301 Market Street  
Philadelphia, Pennsylvania 19101

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For List of Communities Served, See Page 4.

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Issued March 30, 2012

Effective June 1, 2012

**ISSUED BY: C. L. Adams – President & CEO**  
**PECO Energy Distribution Company**  
**2301 MARKET STREET**  
**PHILADELPHIA, PA. 19101**

(C)

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# NOTICE.

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

Title Page

Changed President and CEO to Craig L. Adams.

Provision for Surcharge Recovery of Alternative Energy Portfolio Standard Costs - 5th Revised Page No. 35

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

Customer Assistance Program (CAP) Rider, 13<sup>th</sup> 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:

- \$0.0007 per kWh for Procurement Class 1; (I)
- \$0.0011 per kWh for Procurement Class 2; (I)
- \$0.0021 per kWh for Procurement Class 3; (I)
- \$0.0052 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 Winter<sup>1</sup>/1,000 KWH in the Summer<sup>1</sup>; 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:

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

<sup>1</sup> 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 \$104.16 in months of October – May. The maximum for June is \$105.02. Rate RH discount shall be a nominal 88% subject to a maximum discount of \$86.91 in months of October – May. The maximum for June is \$99.86. 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 \$ 120.61 for Rate R and \$114.68 for Rate RH. (C)

**CAP C:** Customers with annual household gross incomes at or greater than 26% up to and including 50% of the Federal poverty 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 \$96.32 in months of October – May. The maximum for June is \$97.12. Rate RH discount shall be a nominal 77% subject to a maximum discount of \$76.05 in months October – May. The maximum for June is \$87.38. 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 \$111.53 for Rate R and \$100.35 for Rate RH. (C)

**CAP D:** Customers with annual household gross incomes at or greater than 51% up to and including 75% of the Federal poverty 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 \$78.40 for October – May and \$79.05 for June - September. Rate RH discount shall be a nominal 49% subject to a maximum discount of \$48.39 for October- May and \$55.61 for June- September. Maximum discounts shall be based on a 650 kWh bill. (C)

**CAP D1:** Customers with annual household gross incomes at or greater than 76% up to and including 100% of the Federal poverty income guidelines will be eligible for the CAP D1 Rate which provides a nominal 63% discount on the total bill for electric service subject to a maximum discount of \$70.56 for October – May and \$71.15 for June - September. Rate RH discount shall be a nominal 36% subject to a maximum discount of \$35.55 for October- May and \$40.85 for June- September. Maximum discounts shall be based on a 650 kWh bill. (C)

**CAP E:** Customers with annual household gross incomes at or greater than 101% up to and including 125% of the Federal poverty income guidelines will be eligible for the CAP E Rate which provides a nominal 39% discount on the total bill for electric service subject to a maximum discount of \$43.68 in months of October- May for June- September \$44.04. Rate RH discount shall be 3% subject to a maximum discount of \$2.96 for October – May and \$3.40 for June-September. Maximum discounts shall be based on a 650 kWh bill. (C)

**CAP E1:** Customers with annual household gross incomes from 126% up to and including 150% of the Federal poverty income guidelines will be eligible for the CAP E1 Rate which provides a nominal 27% discount on the total bill for electric service subject to a maximum discount of \$30.24 in months of October – May and \$30.49 for June - September. Rate RH discount shall be 0% subject to a maximum discount of \$0.00. Maximum discounts shall be based on a 650 kWh bill. (C)

**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.

(C) Denotes Change

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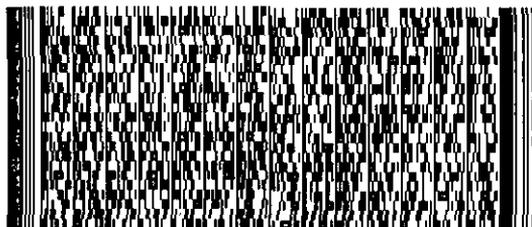
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