



An Exelon Company

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SEP 12 2012

September 12, 2012

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

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

**SUBJECT: PECO Energy Company Implementation of Smart Meter Cost Recovery  
Surcharge Mechanism at Docket No. M-2009-2123944**

Dear Secretary Chiavetta:

PECO Energy is permitted to file quarterly adjustments to the Smart Meter Cost Recovery Surcharge Mechanism, which are allowed to go into effect on 15 days notice. As provided for in the Commission's Final Order at Docket No. M-2009-2123944 the rate will only be updated if the rate changes by more than 5%. PECO has recalculated the rate and determined that it would change rates by less than 5%. Therefore, the Company will not be changing its Smart Meter Cost Recovery Surcharge on October 1, 2012.

This letter transmits for filing with the Commission eight copies of PECO Energy's second quarterly update including:

Exhibit 1 – Smart Meter Projected Costs for October 1, 2012 to December 30, 2012

Please direct any questions regarding the above to Richard A. Schlesinger at 215-841-5771.

Would you please acknowledge receipt of the foregoing on the enclosed copy of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Webster", with a long horizontal flourish extending to the right.

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

**Exhibit 1**  
**PECO Energy Smart Meter Project**  
**Projected Costs for October 1, 2012 to December 31, 2012**

**Smart Meter Cost Recovery (\$M)**

Line	Forecast 4Q 2012			
	Oct	Nov	Dec	
1	Period 2 (7/1/10 to 6/30/11) Undercollection	\$ 0.31	\$ 0.31	\$ 0.31
2	2012 O&M to be Recovered	1.75	1.50	4.53
3	2012 Depreciation	0.98	1.02	1.04
4	2012 Capital Revenue Requirement	0.74	0.77	0.79
5	2012 Benefits/Avoided Costs	(0.14)	(0.16)	(0.18)
6	Total Revenue Requirement	\$ 3.63	\$ 3.43	\$ 6.49
7	Total Revenue Requirement (adj. for GRT)	\$ 3.83	\$ 3.62	\$ 6.85
8	<b>Quarterly Revenue Requirement (\$M)</b>	<b>\$ 14.30</b>		
	<b>Quarterly Revenue Requirement by class:</b>			
9	Res	\$ 12.86		
10	SCI	\$ 1.41		
11	LCI	\$ 0.03		
	<b>Estimated Monthly Rate:</b>			
12	Res (¢/kWh)	0.41		
13	SCI (\$/customer)	\$ 3.02		
14	LCI (\$/customer)	\$ 3.02		

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**Exhibit 1**  
**PECO Energy Smart Meter Project**  
**Projected Costs for October 1, 2012 to December 31, 2012**

<u>Line</u>		<u>In effect</u>	<u>In effect</u>	<u>In effect</u>	<u>Forecasted</u>	
	<b>Estimated Monthly Rate:</b>	<b>1Q 2012</b>	<b>2Q 2012</b>	<b>3Q 2012</b>	<b>4Q 2012</b>	
1	Res (¢/kWh)	0.28	0.28	0.28	0.41	
2	SCI (\$/customer)	\$ 2.15	\$ 2.15	\$ 2.15	\$ 3.02	
3	LCI (\$/customer)	\$ 2.15	\$ 2.15	\$ 2.15	\$ 3.02	
						%
	<b>Average Customer monthly bill with surcharge:</b>					<b>change</b>
4	Res (500 kWh usage)	\$ 86.78	\$ 87.45	\$ 80.35	\$ 81.02	0.0084
5	SCI (10,000 kWh usage)	\$ 1,194.01	\$ 1,232.99	\$1,088.99	\$ 1,089.85	0.0008
6	LCI (200,000 kWh usage)	\$ 21,216.00	\$ 21,316.01	\$16,916.01	\$ 16,916.88	0.0001

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

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**Pa Public Utility Commission**  
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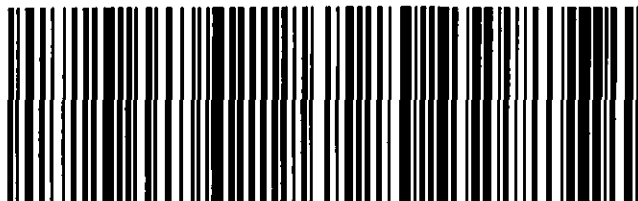
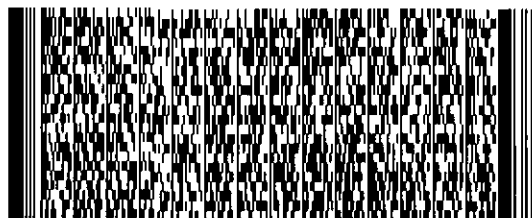
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