



An Exelon Company

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PECO  
2301 Market Street, 515  
Philadelphia, PA 19103

October 12, 2012

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. 53  
Effective December 1, 2012, Docket No. P-2008-2062739

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission an original of Supplement No. 53 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 December 1, 2012 through December 31, 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 Rate HT (High Tension Power) for December reflects a decrease of 3.54 cents/kWh compared to November's rate for Procurement Class 4 - Hourly Pricing.

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  
October 12, 2012  
Page 2

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,

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

Richard G. Webster, Jr.  
Vice President  
Regulatory Policy & Strategy

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

# **ATTACHMENT 1**

**PECO ENERGY COMPANY**

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

**PECO Generation Supply Adjustment Rate-Procurement Class 4 Hourly (GSA 4 Hourly)**  
 Application Period: December 1, 2012 through December 31, 2012  
 cents/kWh

	GSA Rate w/o GRT	Rate GS			Rate PD			Rate HT			Rate EP		
		Incl. Line	w/GRT Incl. Line	Loss Ratio	Incl. Line	w/GRT Incl. Line	Loss Ratio	Incl. Line	w/GRT Incl. Line	Loss Ratio	Incl. Line	w/GRT Incl. Line	Loss Ratio
<b>AS Ancillary Services and Alternative Energy Portfolio Standards Factor</b>													
-Ancillary Service and AEFS (a)	0.39	0.41	0.44	0.41	0.44	0.39	0.41	0.39	0.41	0.39	0.41	0.39	0.41
Total Ancillary Service Cost and Alternative Energy Portfolio Standards Factor	\$ 140,006	\$ 140,006											
<b>AC Administrative Cost Factor</b>													
-Administrative Cost	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Total Administrative Service Cost	\$ 14,087	\$ 14,087											
<b>E Factor Including Interest</b>													
-Over/(Under) Collection Jan 2011 to Aug 2012													
-Net Interest Jan 2011 to Aug 2012													
-Prior Period Over/Under Collection Revenue, Sep 2012 to Nov 2012													
-Prior Period Interest Revenue, Sep 2012 to Nov 2012													
Total E Factor Including Interest	\$ 934,765	\$ 934,765											
<b>WC Working Capital Adjustment</b>													
-Working Capital Adjustment (b)	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Total Working Capital Adjustment	\$ 36,296,395	\$ 36,296,395											
<b>Total GSA Rate (AS + AC - E + WC)</b>	-2.11	-2.09	-2.23	-2.09	-2.23	-2.11	-2.09	-2.11	-2.09	-2.11	-2.09	-2.11	-2.09
<b>S Sales for Application Period in kWh</b>													
Gross Receipts Tax (GRT)	5.90%												

(a) Adjusted for overall line loss factor ratio  
 (b) Based on Settlement at Docket No. R2010-2161575

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

**For the Period December 1, 2012 through December 31, 2012**

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Administrative Cost (2)
Dec-12	\$140,006	\$14,097

**PECO GSA 4 (Hourly) Default kWh Sales**  
**For the Period December 1, 2012 through December 31, 2012**

<b>Month</b>	<b>Total kWh</b>	<b>Rate GS kWh</b>	<b>Rate PD kWh</b>	<b>Rate HT kWh</b>	<b>Rate EP kWh</b>
Dec-12	36,296,395	2,326,883	371,508	33,598,004	0

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

Month	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)				
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	\$1,869,162	\$140,689	\$23,886	\$2,033,737	1.00000000	\$2,033,737
Dec-11	\$1,894,671	\$142,610	\$19,702	\$2,056,982	1.00000000	\$2,056,982
Jan-12	\$2,449,370	\$184,361	\$13,886	\$2,647,617	1.00000000	\$2,647,617
Feb-12	\$2,157,809	\$162,415	\$16,653	\$2,336,877	1.00000000	\$2,336,877
Mar-12	\$2,074,882	\$156,174	\$18,576	\$2,249,632	1.00000000	\$2,249,632
Apr-12	\$1,557,055	\$117,198	\$17,736	\$1,691,989	1.00000000	\$1,691,989
May-12	\$1,961,892	\$147,554	\$16,223	\$2,125,669	1.00000000	\$2,125,669
Jun-12	\$2,409,854	\$182,738	\$16,845	\$2,609,437	1.00000000	\$2,609,437
Jul-12	\$3,078,743	\$228,320	\$14,291	\$3,321,354	1.00000000	\$3,321,354
Aug-12	\$1,966,404	\$183,725	\$14,630	\$2,164,760	1.00000000	\$2,164,760
Sep-12						
Oct-12						
Nov-12						



**PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections  
For the Period January 1, 2011 through August 31, 2012  
and September 2012, October 2012 and November 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)	\$0	\$0
Feb-11	\$4,222,764	(\$5,734,818)	\$4,222,764	(\$5,734,818)	\$0	\$0
Mar-11	\$270,314	(\$5,464,504)	\$0	(\$5,734,818)	\$270,314	\$270,314
Apr-11	\$314,927	(\$5,149,577)	\$0	(\$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	\$1,536,718	(\$1,339,379)	\$330,674	(\$3,321,927)	\$1,206,044	\$1,982,548
Dec-11	(\$762,236)	(\$2,101,615)	\$361,423	(\$2,960,504)	(\$1,123,659)	\$858,889
Jan-12	\$481,738	(\$1,619,877)	\$446,622	(\$2,513,882)	\$35,116	\$894,005
Feb-12	\$990,591	(\$629,286)	\$1,627,410	(\$886,472)	(\$636,819)	\$257,186
Mar-12	\$1,094,578	\$465,292	\$1,394,127	\$507,655	(\$299,549)	(\$42,363)
Apr-12	\$966,287	\$1,431,579	\$1,108,563	\$1,616,218	(\$142,276)	(\$184,639)
May-12	(\$64,894)	\$1,366,685	\$0	\$1,616,218	(\$64,894)	(\$249,533)
Jun-12	(\$859,514)	\$507,171	\$0	\$1,616,218	(\$859,514)	(\$1,109,047)
Jul-12	(\$2,035,557)	(\$1,528,386)	\$0	\$1,616,218	(\$2,035,557)	(\$3,144,604)
Aug-12	\$514,302	(\$1,014,084)	\$0	\$1,616,218	\$514,302	(\$2,630,302)
Sep-12						
Oct-12						
Nov-12						

PECO GSA 4 (Hourly) Actual Interest Calculation  
For the Period January 1, 2011 through August 31, 2012  
and September 2012, October 2012 and November 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) = (8) x (4) x (5) / (6)	(8)	(9)	(9) = (7) + (8) x (9)
Jan-11	\$26,167,250	\$36,124,832	(\$9,957,582)	6.00%	10	12	(\$497,879)	\$0	\$0	(\$497,879)
Feb-11	\$10,940,677	\$6,717,913	\$4,222,764	8.00%	9	12	\$253,366	\$0	\$0	(\$244,513)
Mar-11	\$5,488,695	\$5,198,381	\$270,314	8.00%	4.5	12	\$8,109	\$0	\$0	(\$236,404)
Apr-11	\$4,240,784	\$3,925,857	\$314,927	8.00%	4.5	12	\$9,448	\$0	\$0	(\$226,956)
May-11	\$5,714,423	\$5,370,182	\$344,241	8.00%	4.5	12	\$10,327	\$0	\$0	(\$210,488)
Jun-11	\$4,845,978	\$4,809,659	\$36,319	8.00%	4.5	12	\$1,090	\$6,140	\$6,140	(\$202,920)
Jul-11	\$5,101,306	\$6,069,585	(\$968,279)	6.00%	4.5	12	(\$21,786)	(\$6,556)	\$6,479	(\$224,706)
Aug-11	\$6,156,339	\$4,697,971	\$1,458,368	8.00%	4.5	12	\$43,751	(\$7,114)	\$6,556	(\$166,724)
Sep-11	\$3,683,662	\$3,773,831	(\$90,169)	6.00%	4.5	12	(\$2,029)	(\$11,944)	\$21,345	(\$162,781)
Oct-11	\$2,749,329	\$2,390,521	\$358,808	8.00%	4.5	12	\$10,764	(\$4,542)	\$17,916	(\$138,391)
Nov-11	\$2,420,788	\$2,033,737	\$387,051	8.00%	4.5	12	\$11,612	\$19,226	\$18,168	(\$92,172)
Dec-11	\$2,215,113	\$2,056,982	\$158,131	8.00%	4.5	12	\$4,744	(\$33,621)	\$15,381	(\$104,239)
Jan-12	\$2,552,901	\$2,647,617	(\$94,716)	6.00%	4.5	12	(\$2,131)	\$0	\$20,773	(\$85,597)
Feb-12	\$2,717,189	\$2,336,877	\$380,312	8.00%	4.5	12	\$11,409	(\$36,513)	\$73,025	(\$37,676)
Mar-12	\$2,272,503	\$2,249,632	\$22,871	8.00%	4.5	12	\$686	(\$13,623)	\$63,576	\$12,963
Apr-12	\$1,828,765	\$1,691,989	\$136,776	8.00%	4.5	12	\$4,103	\$0	\$49,694	\$66,760
May-12	\$1,421,474	\$2,125,669	(\$704,195)	6.00%	4.5	12	(\$15,844)	\$14,051	\$0	\$84,967
Jun-12	\$2,061,068	\$2,609,437	(\$558,369)	6.00%	4.5	12	(\$12,563)	(\$7,257)	\$0	\$45,147
Jul-12	\$3,001,268	\$3,321,354	(\$320,086)	6.00%	4.5	12	(\$7,202)	(\$74,993)	\$0	(\$37,048)
Aug-12	\$3,140,038	\$2,164,760	\$975,278	8.00%	4.5	12	\$29,258	(\$14,406)	\$0	(\$22,196)
Sep-12								\$19,289	\$0	\$0
Oct-12								\$24,625	\$0	\$0
Nov-12								\$6,914	\$0	\$0

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

Month	Monthly Portion of Cumulative Portion of Interest, Net of Interest Revenue for 12 month recovery	(11) = (7) for Jan 2011 and Feb 2011+ (9)	(12) = Cumulative from (11)	Monthly Portion of Cumulative Portion of Interest, Net of Interest Revenue for 1 month recovery	(13) = (7) + (8)	(14) = Cumulative from (13)
Jan-11	(\$497,879)	(\$497,879)	(\$497,879)	\$0	\$0	\$0
Feb-11	\$253,366	\$253,366	(\$244,513)	\$0	\$0	\$0
Mar-11	\$0	\$0	(\$244,513)	\$8,109	\$8,109	\$8,109
Apr-11	\$0	\$0	(\$244,513)	\$9,448	\$9,448	\$17,557
May-11	\$6,140	\$6,140	(\$238,373)	\$10,327	\$10,327	\$27,884
Jun-11	\$6,479	\$6,479	(\$231,894)	\$1,090	\$1,090	\$28,974
Jul-11	\$6,556	\$6,556	(\$225,338)	(\$28,342)	(\$28,342)	\$632
Aug-11	\$21,345	\$21,345	(\$203,993)	\$36,637	\$36,637	\$37,269
Sep-11	\$17,916	\$17,916	(\$186,077)	(\$13,973)	(\$13,973)	\$23,296
Oct-11	\$18,168	\$18,168	(\$167,909)	\$6,222	\$6,222	\$29,518
Nov-11	\$15,381	\$15,381	(\$152,528)	\$30,838	\$30,838	\$60,356
Dec-11	\$16,810	\$16,810	(\$135,718)	(\$28,877)	(\$28,877)	\$31,479
Jan-12	\$20,773	\$20,773	(\$114,945)	(\$2,131)	(\$2,131)	\$29,348
Feb-12	\$73,025	\$73,025	(\$41,920)	(\$25,104)	(\$25,104)	\$4,244
Mar-12	\$63,576	\$63,576	\$21,656	(\$12,937)	(\$12,937)	(\$8,693)
Apr-12	\$49,694	\$49,694	\$71,350	\$4,103	\$4,103	(\$4,590)
May-12	\$0	\$0	\$71,350	(\$1,793)	(\$1,793)	(\$6,383)
Jun-12	\$0	\$0	\$71,350	(\$19,820)	(\$19,820)	(\$26,203)
Jul-12	\$0	\$0	\$71,350	(\$82,195)	(\$82,195)	(\$108,398)
Aug-12	\$0	\$0	\$71,350	\$14,852	\$14,852	(\$93,546)
Sep-12						
Oct-12						
Nov-12						

# **ATTACHMENT 2**

**PECO ENERGY COMPANY**

**REVISED GSA TARIFF**

# 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 October 12, 2012

Effective December 1, 2012

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

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# NOTICE.

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**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

**Generation Supply Adjustment for Procurement Class 4 Loads greater than 500 kW – 25th Revised Page No. 33**  
Reflects monthly adjustment for Procurement Class 4 – hourly pricing pursuant to Order at Docket No. P-2008-2062739.

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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

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

**PJM<sub>DA</sub>** – 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<sub>RPM</sub> x Bill Days**

**PLC** = peak load contribution

**RM** = reserve margin adjustment per PJM

**P<sub>RPM</sub>** = 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.

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

**PJM<sub>AS</sub>** = \$/MWH charged by PJM for ancillary services

**AEPS** = cost of complying with the alternative energy portfolio standard

**S<sub>AEPS</sub>** = 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** -  $\sum O / (U) / S_4 \times \text{usage}$  where

**E** = over/under recovery as calculated in the reconciliation

**S<sub>4</sub>** = 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)	(2.23)	(2.23)	(2.26)	(2.26)

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

(D)

**Fixed Price Contract**

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

(D) Denotes Decrease