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October 12, 2012

**BY FED EX**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Post Office Box 3265  
Harrisburg, PA 17105-3265

Re: Supplement No. 55 to Tariff Electric – Pa PUC No. 4 effective January 1, 2013  
Updating CAP discount rates and maximum discounts provided under terms of  
the Settlement at Docket No. R-2010-2161575 (Section D and Statement I)

Dear Secretary Chiavetta:

Pursuant to Commission Opinion and Order at Docket No. R-2010-2161575, PECO Energy Company is submitting Supplement No. 55 to Tariff Electric Pa. P.U.C. No. 4, bearing an effective date of January 1, 2013, in compliance with the above Order.

PECO has made adjustments to CAP discounts and Rate RH usage limits because of the change to the Generation Service Adjustment (GSA) phase out factor calculation. According to PECO's Default Service Provider Order at Docket No. P-2008-2062739, PECO is required to remove blocked generation rates and use the quarterly GSA price effective January 1, 2013. The Company requested APPRISE, PECO's low income consultant, to reevaluate the affordability of PECO's new residential rates and develop revised CAP discounts.

The Company in this filing is also responding to the impact on low income customers due to the phase out of the discounted blocked rate for Rate RH (Docket No. P-2008-2062739). In response to the elimination of the Rate RH discounted generation block rate, PECO will be raising the CAP usage limit for CAP Rate RH customers in the months of November through April from 650 kWh to 1,500 kWh. For October and May, the discount levels would remain at 650 kWh. Note the Company will be submitting an updated filing in mid-November 2012 to the CAP rates and discounts to reflect the GSA prices for first quarter 2013 thus assuring the CAP rates represent the most up to date pricing effective January 1, 2013.

Rosemary Chiavetta, Secretary  
October 12, 2012  
Page 2

In support of Supplement No. 55 we are providing the following Attachments:

Attachment 1 – Revised Electric CAP Tariff  
Attachment 2 – Q&A Information furnished under 52 Pa. Code, Section 53.52(a)  
Attachment 3 – Summary of electric CAP discounts and maximum discounts by CAP tier  
Attachment 4 – APPRISE Electric Affordability Study  
Attachment 5 – Electric CAP discount calculation using APPRISE Electric Affordability Study

Concurrent with this updated CAP Rate Discount filing, PECO today is also submitting the Electric USFC Final Rate filing, Docket No. M-2012-2322896. PECO requests that the Commission evaluate and render a final decision for both of these filings simultaneously as the cost recovery in the Electric USFC filing and the rate discounts in the CAP Discount filing are directly related.

Thank you for your assistance in this matter and please direct any questions regarding the above to Richard Schlesinger, Manager, Retail Rates (215) 841-5771.

Sincerely,



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

cc: Certificate of Service  
Commissioner Robert F. Powelson, Chairman  
Commissioner John F. Coleman, Vice Chairman  
Commissioner James H. Cawley  
Commissioner Pamela A. Witmer  
Commissioner Wayne E. Gardner

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PECO Energy Company

:

DOCKET NO. R-2010-2161575

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing documents upon the participants, listed below, in the manner indicated below:

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Dated: October 12, 2012

# Attachment 1

# 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 January 1, 2013

**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**

**Customer Assistance Program (CAP) Rider – 17<sup>th</sup> Revised Page No. 69 & 1<sup>st</sup> Revised Page No. 70**

Updating CAP discount rates and maximum discounts provided under terms of the Settlement at Docket No. R-2010-2161575 (Section D and Statement I) and discount levels in accordance with Docket No. P-2008-2062739. Added language clarifying the current practice of updating the maximum CAP discounts.

**PECO Energy Company**

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**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. In addition, these customers will not be able to obtain Competitive Energy Supply.

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.

(C)

Rate R	CAP B	CAP C	CAP D	CAP D1	CAP E	CAP E1
<b>Federal Poverty Income Rate</b>	<b>&lt;=25%</b>	<b>26-50%</b>	<b>51-75%</b>	<b>76-100%</b>	<b>101-125%</b>	<b>126-150%</b>
<b>Discount</b>	92%	85%	68%	61%	36%	21%
<b>Max Discount Amount Winter Bill</b>						
<b>650 kWh</b>	\$96.22	\$88.90	\$71.12	\$63.80	\$37.65	\$21.96
<b>Max Discount Amount Jul - Sept</b>						
<b>750 kWh</b>	\$110.00	\$101.63	N/A	N/A	N/A	N/A
<b>Max Discount Amount Jun - Sept</b>						
<b>650 kWh</b>	N/A	N/A	\$71.12	\$63.80	\$37.65	\$21.96
<b>Max Discount Amount June</b>						
<b>650 kWh</b>	\$96.22	\$88.90	N/A	N/A	N/A	N/A
<b>Monthly Minimum Bill</b>	\$12.00	N/A	N/A	N/A	N/A	N/A
<b>Must be on Budget Billing</b>	Yes	Yes	No	No	No	No

(C) Denotes Change

**Customer Assistance Program (CAP) Rider (continued)**

(C)

Rate RH	CAP B	CAP C	CAP D	CAP D1	CAP E	CAP E1
<b>Federal Poverty Income Rate</b>	<b>&lt;=25%</b>	<b>26-50%</b>	<b>51-75%</b>	<b>76-100%</b>	<b>101-125%</b>	<b>126-150%</b>
<b>Discount</b>	88%	77%	50%	37%	3%	0%
<b>Max Discount Amount Oct &amp; May</b>						
<b>650 kWh</b>	\$80.94	\$70.82	\$45.99	\$34.03	\$2.76	\$0.00
<b>Max Discount Amount Nov - Apr</b>						
<b>1500 kWh</b>	\$178.53	\$156.22	\$101.44	\$75.07	\$6.09	\$0.00
<b>Max Discount Amount Jul - Sept</b>						
<b>750 kWh</b>	\$105.22	\$92.07	N/A	N/A	N/A	N/A
<b>Max Discount Amount Jun - Sept</b>						
<b>650 kWh</b>	N/A	N/A	\$52.30	\$38.70	\$3.14	\$0.00
<b>Max Discount Amount June</b>						
<b>650 kWh</b>	\$92.04	\$80.53	N/A	N/A	N/A	N/A
<b>Monthly Minimum Bill Oct - June</b>	\$30.00	N/A	N/A	N/A	N/A	N/A
<b>Must be on Budget Billing</b>	Yes	Yes	No	No	No	No

**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. The Company will update the maximum discounts for all CAP tiers in conjunction with the quarterly Generation Supply Adjustment filing.

(C)

**CERTIFICATION/VERIFICATION** Prior to enrollment in the CAP Rider, and then again every two years, customers must verify, to PECO's satisfaction, that their household income level meets the "Availability" standards set forth in this Rider. Customers being considered for the CAP Rider will be required to:

- Provide information sufficient to demonstrate to PECO their household income level.
- Waive certain privacy rights to enable PECO to effectively conduct the above certification process.
- Apply for and assign to PECO at least one energy assistance grant from the Commonwealth.
- Participate in various energy education and conservation programs facilitated by PECO.

PECO may, at its sole discretion, supplement this verification process by using data from Commonwealth or federal government programs which demonstrate the income eligibility of its customers. Such data may come from a customer's participation in, or receipt of benefits from, the Low Income Home Energy Assistance Program, Temporary Assistance for Needy Families, Food Stamps, Supplemental Security Income, and Medicaid. Information available from the Pennsylvania Department of Revenue may also be used where appropriate to expedite the process.

**MINIMUM CHARGE.** The minimum charge per month will be the fixed distribution charge for all customers unless otherwise noted

(C) Denotes Change

# Attachment 2

## Proposed Changes to Electric Tariff No. 4 Supplement No. 55

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

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

The Company is responding to the impact on low income customers due to the phase out of the discounted blocked rate for Rate RH which is required per PECO's Default Service Provider Settlement at Docket No. P-2008-2062739. In response to the elimination of the Rate RH discounted generation block rate, PECO will be raising the Customer Assistance Program (CAP) usage limit for CAP Rate RH customers in the months of November through April from 650 kWh to 1500 kWh. For October and May, the discount levels would remain at 650 kWh. This change will become effective January 1, 2013.

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

As of August 1, 2012 PECO Energy served 1,578,189 electric customers.

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

	Customers
Rate R	1,245,265
Rate RH	171,363
Total	1,416,628

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

The effect of the CAP usage limit change on Rate R and RH customers is \$0.0002/kWh.

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

The proposed CAP usage limit changes will result in an offsetting to PECO's revenues and expenses. The increase in the Universal Fund Service Charge (USFC) is expected to offset by the decrease in generation rates as a result of the RH phase out.

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

Service rendered by the Company will not be affected by this proposed CAP usage limit change.

**(a)(7) A list of factors considered by the utility in its determination to make a change. The list shall include a comprehensive statement as to why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa. CS 1308.**

See response to Question (a)(1).

**(a)(8) Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of the tariff change seeking a general rate increase as defined in 66 Pa. C.S. 1308.**

None.

**(a)(9) Customer polls taken and other documents, which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernable public opposition, an explanation of why the change is in the public interest shall be provided.**

The Company has had meetings with the Office of Consumer Advocate, Bureau of Investigation & Enforcement, Bureau of Technical Utility Services, Bureau of Consumer Services, the Bureau of Audits and various low income advocate groups to discuss this change and the proposed CAP usage limit increase.

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

PECO will notify customers of the CAP rates changes through bill inserts.

**(a)(11) F.C.C., FERC, or Commission orders or ruling applicable to the filing.**

The following Commission Orders are applicable to the filing – PECO's Default Service Provider Settlement at Docket No. P-2008-2062739, the USFC provisions of Paragraph 33 and 34 of the Joint Petition for Full Settlement (R00973953) as modified by Paragraph 35 of the PECO-Unicom Merger Settlement (Docket No. A-110550F0147) with the Commission's Order at Docket No.'s. R-00038535 & C-20031543 and, consistent with the settlement in PECO's base rate case at Docket No. R-2010-2161575.

# Attachment 3

**Summary of CAP Discount Percentages and Maximum Discounts  
Effective January 1, 2013 (GSA)  
Using Revised APPRISE Affordability Study Data (5-8-12)**

Rate R		<u>CAP A</u>	<u>CAP B</u>	<u>CAP C</u>	<u>CAP D</u>	<u>CAP D1</u>	<u>CAP E</u>	<u>CAP E1</u>
	Discount	92%	92%	85%	68%	61%	36%	21%
	650 kWh Winter Bill	\$104.59	\$104.59	\$104.59	\$104.59	\$104.59	\$104.59	\$104.59
	650 kWh Winter Bill w/disc*	\$12.00	\$12.00	\$15.69	\$33.47	\$40.79	\$66.94	\$82.63
	Max Discount Amount		\$96.22	\$88.90	\$71.12	\$63.80	\$37.65	\$21.96
	750 kWh Summer Bill	\$119.57	\$119.57	\$119.57				
	750 kWh Summer Bill w/disc*	\$12.00	\$12.00	\$17.94				
	Max Discount Amount		\$110.00	\$101.63				
	650 kWh Summer Bill				\$104.59	\$104.59	\$104.59	\$104.59
	650 kWh Summer Bill w/disc*				\$33.47	\$40.79	\$66.94	\$82.63
	Max Discount Amount				\$71.12	\$63.80	\$37.65	\$21.96
	650 kWh June Bill		\$104.59	\$104.59				
	650 kWh June Bill w/disc*		\$12.00	\$15.69				
	650 kWh June Max Discount		\$96.22	\$88.90				

Rate RH		<u>CAP A</u>	<u>CAP B</u>	<u>CAP C</u>	<u>CAP D</u>	<u>CAP D1</u>	<u>CAP E</u>	<u>CAP E1</u>
	Discount	88%	88%	77%	50%	37%	3%	0%
	650 kWh Bill (Oct & May)	\$91.98	\$91.98	\$91.98	\$91.98	\$91.98	\$91.98	\$91.98
	650 kWh Winter Bill w/disc*	\$30.00	\$30.00	\$30.00	\$45.99	\$57.95	\$89.22	\$91.98
	Max Discount Amount		\$80.94	\$70.82	\$45.99	\$34.03	\$2.76	\$0.00
	1500 kWh Bill (Nov through Apr)	\$202.88	\$202.88	\$202.88	\$202.88	\$202.88	\$202.88	\$202.88
	1500 kWh Winter Bill w/disc*	\$30.00	\$30.00	\$46.66	\$101.44	\$127.81	\$196.79	\$202.88
	Max Discount Amount		\$178.53	\$156.22	\$101.44	\$75.07	\$6.09	\$0.00
	750 kWh Summer Bill	\$119.57	\$119.57	\$119.57				
	750 kWh Summer Bill w/disc*	\$30.00	\$14.35	\$27.50				
	Max Discount Amount		\$105.22	\$92.07				
	650 kWh Summer Bill				\$104.59	\$104.59	\$104.59	\$104.59
	650 kWh Summer Bill w/disc*				\$52.30	\$65.89	\$101.45	\$104.59
	Max Discount Amount				\$52.30	\$38.70	\$3.14	\$0.00
	650 kWh June Bill		\$104.59	\$104.59				
	650 kWh June Bill w/disc*		\$30.00	\$24.06				
	650 kWh June Max Discount		\$92.04	\$80.53				

\* As per PECO tariff, minimum bills for CAP B & C tiers Rate R is \$12. Rate RH (W) is \$30 and for (S) is \$12.

# Attachment 4

**DATE:** May 8, 2012  
**TO:** Patricia King  
**FROM:** Jackie Berger and Ferit Ucar  
**SUBJECT:** PECO Electric Affordability Analysis

PECO has asked APPRISE to update the analysis of the electric burden for CAP customers compared to the PUC's targeted energy burden for 2013 using the rates that will be in effect as of January 1, 2013. This memo provides a summary of the analyses that we conducted.

All analyses in this memo were conducted using 2009 electric usage data for customers who were enrolled in PECO's CAP in December 2009. The usage data were multiplied by current electric rates provided by PECO. Energy burden was obtained by using the following formula:

$$(\text{annual electric usage}) * (\text{2013 PECO electric prices}) / (\text{annual household income})^1$$

Table 1 displays the electric rates provided by PECO that are used in the analyses included in this memo. The Non CAP rates are used in the analyses to demonstrate the discount that is needed off the full electric bill.

**Table 1**  
**PECO 2013 Electric Rates, as of January 1, 2013**

	Rate R		Rate RH – Electric Heat	
<b>Fixed Distribution Service Charge</b>	\$7.20		\$7.20	
	Winter	Summer	Winter	Summer
<b>Transmission Charge</b>	\$ 0.0080	\$ 0.0080	\$ 0.0080	\$ 0.0080
<b>Variable Distribution Service Charge</b>	\$ 0.0600	\$ 0.0600	\$ 0.0406	\$ 0.0600
<b>AEPS</b>	\$ 0.0007	\$ 0.0007	\$ 0.0007	\$ 0.0007
<b>Energy and Capacity Charge</b>	\$ 0.0801	\$ 0.0801	\$ 0.0801	\$ 0.0801
<b>Total Cost per kWh</b>	\$ 0.1488	\$ 0.1488	\$ 0.1294	\$ 0.1488

<sup>1</sup> Income was updated to 2011 using the Consumer Price Index.

Table 2 displays the current PUC target burden levels and the proposed target burden levels by poverty group.

**Table 2  
 PUC Target Burden Levels**

<b>Rate R</b>		
<b>Poverty Level</b>	<b>Current PUC Electric Energy Burden Target</b>	<b>Proposed PUC Electric Energy Burden Target</b>
<b>&lt;=25%</b>	2%-5%	4%
<b>26% - 50%</b>	2%-5%	4%
<b>51% - 75%</b>	4%-6%	4%
<b>76% - 100%</b>	4%-6%	4%
<b>101% - 125%</b>	6%-7%	4%
<b>126% - 150%</b>	6%-7%	4%
<b>Rate RH</b>		
<b>Poverty Level</b>	<b>Current PUC Electric Energy Burden Target</b>	<b>Proposed PUC Electric Energy Burden Target</b>
<b>&lt;=25%</b>	7%-13%	10%
<b>26% - 50%</b>	7%-13%	10%
<b>51% - 75%</b>	11%-16%	10%
<b>76% - 100%</b>	11%-16%	10%
<b>101% - 125%</b>	15%-17%	10%
<b>126% - 150%</b>	15%-17%	10%

Table 3 displays the number of electric CAP customers as of December 2009 by poverty group. The table shows that there were approximately 130,000 electric CAP customers. Nearly 100,000 of these customers were included in the analyses that are summarized in the following tables, providing for a very robust analysis of customers' need for bill assistance.

**Table 3  
 CAP Poverty Levels**

<b>Poverty Level</b>	<b>Electric CAP Accounts</b>
<b>&lt;=25%</b>	12,201
<b>26 to 50%</b>	18,925
<b>51 to 75%</b>	28,361
<b>76 to 100%</b>	31,483
<b>101 to 125%</b>	20,924

Poverty Level	Electric CAP Accounts
126 to 150%	14,507
>150%	940
Missing	3,278
<b>TOTAL</b>	<b>130,619</b>

Table 4A displays the discount off the 2013 non-discounted electric rates needed by each poverty group to reach the PUC target. The percentage shown is the percentage discount off the total monthly bill that is needed to achieve either the targeted PUC burden level or the targeted PUC minimum payment. Minimum payments of \$12 per month for non-heating and \$30 per month for heating customers are included in these calculations. The table shows that 23 percent of rate R (non-heating) customers with income below 25 percent of the poverty level need a discount of 90 percent or more to reach the current PUC targeted energy burden level and 64 percent of these households need a discount of 75 percent to 90 percent to reach their targeted energy burden. The table shows that 92 percent of rate RH customers with income between 126 and 150 percent of the poverty level do not need a discount to reach their targeted energy burden level.

**Table 4A**  
**Projected PECO Electric Discount Needed**  
**Off 2013 Full Electric Rates**  
**Current PUC Energy Burden Targets**

<b>Rate R (Minimum is \$12/Month)</b>							
<b>Poverty Level</b>	<b>Percent of Customers With Each Level of Discount Off Full 2013 Rate Needed to Achieve PUC Target</b>						
	<b>0%</b>	<b>&lt;10%</b>	<b>10%-25%</b>	<b>25%-50%</b>	<b>50%-75%</b>	<b>75%-90%</b>	<b>90%+</b>
<b>&lt;=25%</b>	0%	0%	0%	1%	11%	64%	23%
<b>26% - 50%</b>	1%	0%	1%	8%	47%	40%	2%
<b>51% - 75%</b>	10%	5%	11%	33%	37%	5%	0%
<b>76% - 100%</b>	23%	7%	14%	30%	24%	2%	0%
<b>101% - 125%</b>	59%	8%	12%	15%	5%	0%	0%
<b>126% - 150%</b>	73%	7%	8%	9%	2%	0%	0%

<b>Rate RH (Minimum is \$30/Month)</b>							
<b>Poverty Level</b>	<b>Percent of Customers With Each Level of Discount Off Full 2013 Rate Needed to Achieve PUC Target</b>						
	<b>0%</b>	<b>&lt;10%</b>	<b>10%-25%</b>	<b>25%-50%</b>	<b>50%-75%</b>	<b>75%-90%</b>	<b>90%+</b>
<b>&lt;=25%</b>	1%	0%	1%	6%	26%	58%	7%
<b>26% - 50%</b>	6%	3%	6%	19%	50%	16%	0%
<b>51% - 75%</b>	41%	8%	13%	25%	13%	1%	0%

<b>Rate RH (Minimum is \$30/Month)</b>							
<b>Poverty Level</b>	<b>Percent of Customers With Each Level of Discount Off Full 2013 Rate Needed to Achieve PUC Target</b>						
	<b>0%</b>	<b>&lt;10%</b>	<b>10%-25%</b>	<b>25%-50%</b>	<b>50%-75%</b>	<b>75%-90%</b>	<b>90%+</b>
<b>76% - 100%</b>	61%	7%	11%	15%	6%	0%	0%
<b>101% - 125%</b>	83%	6%	5%	5%	1%	0%	0%
<b>126% - 150%</b>	92%	3%	3%	2%	0%	0%	0%

Table 4B displays the discount off the 2013 non-discounted electric rates needed by each poverty group to reach the PUC target. The table shows that the same data as in 4A, except that the discount needed is separated into five percent increments to allow for a more detailed analysis.

**Table 4B**  
**Projected PECO Electric Discount Needed**  
**Off 2013 Full Electric Rates**  
**Current PUC Energy Burden Targets**  
**By 5 Percentage Point Increments**

<b>Rate R (Minimum is \$12/Month)</b>																					
Poverty Level	Percent of Customers With Each Level of Discount Off Full 2013 Rate Needed to Achieve PUC Target																				
	0%	<5%	5-10%	10-15%	15-20%	20-25%	25-30%	30-35%	35-40%	40-45%	45-50%	50-55%	55-60%	60-65%	65-70%	70-75%	75-80%	80-85%	85-90%	90-95%	>=95%
<=25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	1%	3%	6%	12%	21%	31%	21%	2%
26% - 50%	1%	0%	0%	0%	0%	1%	1%	2%	3%	4%	6%	9%	12%	15%	17%	15%	9%	2%	0%	0%	0%
51% - 75%	10%	2%	3%	4%	4%	5%	6%	7%	8%	8%	9%	8%	7%	5%	3%	2%	0%	0%	0%	0%	0%
76% - 100%	23%	3%	4%	4%	5%	5%	6%	6%	7%	8%	6%	5%	4%	3%	1%	1%	0%	0%	0%	0%	0%
101% - 125%	59%	4%	4%	4%	4%	4%	3%	3%	3%	2%	2%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
126% - 150%	73%	3%	4%	3%	3%	3%	2%	2%	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%

  

<b>Rate RH (Minimum is \$30/Month)</b>																					
Poverty Level	Percent of Customers With Each Level of Discount Off Full 2013 Rate Needed to Achieve PUC Target																				
	0%	<5%	5-10%	10-15%	15-20%	20-25%	25-30%	30-35%	35-40%	40-45%	45-50%	50-55%	55-60%	60-65%	65-70%	70-75%	75-80%	80-85%	85-90%	90-95%	>=95%
<=25%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	2%	3%	5%	6%	11%	15%	24%	19%	7%	0%	0%
26% - 50%	6%	1%	2%	1%	3%	3%	4%	5%	5%	5%	8%	10%	13%	13%	11%	10%	4%	2%	0%	0%	0%
51% - 75%	41%	4%	4%	4%	5%	5%	5%	4%	4%	4%	3%	3%	2%	2%	1%	0%	0%	0%	0%	0%	0%
76% - 100%	61%	4%	4%	3%	4%	4%	3%	3%	2%	2%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
101% - 125%	83%	3%	2%	1%	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
126% - 150%	92%	1%	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Table 5 separates out the customers that would receive the minimum payment amount instead of the discount, because the discount would take them below the \$12 per month minimum payment recommended for non-heating customers or the \$30 per month minimum payment recommended for heating customers.

The table shows that 74 percent of rate R customers and 79 percent of rate RH customers with income less than or equal to 25 percent of the poverty level would need the minimum payment. Only one percent of rate R customers with income between 26 percent and 50 percent of the poverty level would need the minimum payment. However, there are no customers in the other income groups that would need the minimum payment.

**Table 5**  
**Projected PECO Electric Discount Needed**  
**Off 2013 Full Electric Rates**  
**Current PUC Energy Burden Targets**  
**Minimum Payment Customers Separated Out**

<b>Rate R (Minimum is \$12/Month)</b>								
<b>Poverty Level</b>	<b>Percent of Customers With Each Level of Discount Off Full 2013 Rate Needed to Achieve PUC Target</b>							<b>Minimum Payment</b>
	<b>0%</b>	<b>&lt;10%</b>	<b>10%-25%</b>	<b>25%-50%</b>	<b>50%-75%</b>	<b>75%-90%</b>	<b>90%+</b>	
<b>&lt;=25%</b>	0%	0%	0%	0%	4%	18%	3%	74%
<b>26% - 50%</b>	1%	0%	1%	8%	47%	40%	2%	1%
<b>51% - 75%</b>	10%	5%	11%	33%	37%	5%	0%	0%
<b>76% - 100%</b>	23%	7%	14%	30%	24%	2%	0%	0%
<b>101% - 125%</b>	59%	8%	12%	15%	5%	0%	0%	0%
<b>126% - 150%</b>	73%	7%	8%	9%	2%	0%	0%	0%

<b>Rate RH (Minimum is \$30/Month)</b>								
<b>Poverty Level</b>	<b>Percent of Customers With Each Level of Discount Off Full 2013 Rate Needed to Achieve PUC Target</b>							<b>Minimum Payment</b>
	<b>0%</b>	<b>&lt;10%</b>	<b>10%-25%</b>	<b>25%-50%</b>	<b>50%-75%</b>	<b>75%-90%</b>	<b>90%+</b>	
<b>&lt;=25%</b>	0%	0%	0%	2%	7%	10%	1%	79%
<b>26% - 50%</b>	6%	3%	6%	19%	50%	16%	0%	0%
<b>51% - 75%</b>	41%	8%	13%	25%	13%	1%	0%	0%
<b>76% - 100%</b>	61%	7%	11%	15%	6%	0%	0%	0%
<b>101% - 125%</b>	83%	6%	5%	5%	1%	0%	0%	0%
<b>126% - 150%</b>	92%	3%	3%	2%	0%	0%	0%	0%

Table 6 displays the discount off the 2013 non-discounted electric rates needed by each poverty group to reach the proposed PUC energy burden targets. The percentage shown is the

percentage discount off the total monthly bill that is needed to achieve either the targeted PUC burden level or the targeted PUC minimum payment. Minimum payments of \$12 per month for non-heating and \$30 per month for heating customers are included in these calculations. The table shows that 26 percent of rate R customers with income at or below 25 percent of the poverty level would need a discount of 90 percent or more and 64 percent would need a discount of 75 percent to 90 percent to reach the targeted energy burden level. The table shows that 60 percent of rate RH customers with income between 126 and 150 percent of the poverty level would not need a discount to reach the targeted energy burden level.

**Table 6**  
**Projected PECO Electric Discount Needed**  
**Off 2013 Full Electric Rates**  
**Proposed PUC Energy Burden Targets**

<b>Rate R (Minimum is \$12/Month)</b>							
<b>Targeted Energy Burden is 4%</b>							
<b>Poverty Level</b>	<b>Percent of Customers With Each Level of Discount Off Full 2013 Rate Needed to Achieve PUC Target</b>						
	<b>0%</b>	<b>&lt;10%</b>	<b>10%-25%</b>	<b>25%-50%</b>	<b>50%-75%</b>	<b>75%-90%</b>	<b>90%+</b>
<b>&lt;=25%</b>	0%	0%	0%	1%	9%	64%	26%
<b>26% - 50%</b>	1%	0%	0%	3%	35%	55%	5%
<b>51% - 75%</b>	2%	1%	3%	19%	54%	20%	1%
<b>76% - 100%</b>	6%	3%	8%	27%	45%	11%	0%
<b>101% - 125%</b>	17%	6%	14%	33%	28%	3%	0%
<b>126% - 150%</b>	28%	8%	16%	29%	17%	1%	0%

<b>Rate RH (Minimum is \$30/Month)</b>							
<b>Targeted Energy Burden is 10%</b>							
<b>Poverty Level</b>	<b>Percent of Customers With Each Level of Discount Off Full 2013 Rate Needed to Achieve PUC Target</b>						
	<b>0%</b>	<b>&lt;10%</b>	<b>10%-25%</b>	<b>25%-50%</b>	<b>50%-75%</b>	<b>75%-90%</b>	<b>90%+</b>
<b>&lt;=25%</b>	1%	1%	1%	5%	23%	61%	9%
<b>26% - 50%</b>	3%	1%	3%	13%	45%	34%	1%
<b>51% - 75%</b>	15%	4%	10%	29%	36%	6%	0%
<b>76% - 100%</b>	29%	6%	12%	27%	23%	2%	0%
<b>101% - 125%</b>	43%	10%	14%	24%	8%	0%	0%
<b>126% - 150%</b>	60%	8%	14%	14%	4%	0%	0%

For the proposed PUC burden targets, Table 7 separates out the customers that would receive the minimum payment amount instead of the discount, because the discount would take them below the \$12 per month minimum payment recommended for non-heating customers or the \$30 per month minimum payment recommended for heating customers. The table shows that 78 percent of rate R customers with income at or below 25 percent of the poverty level would

need the minimum payment and 85 percent of rate RH customers would need the minimum payment.

**Table 7**  
**Projected PECO Electric Discount Needed**  
**Off 2013 Full Electric Rates**  
**Proposed PUC Energy Burden Targets**  
**Minimum Payment Customers Separated Out**

<b>Rate R (Minimum is \$12/Month)</b>								
<b>Targeted Energy Burden is 4%</b>								
<b>Poverty Level</b>	<b>Percent of Customers With Each Level of Discount Off Full 2013 Rate Needed to Achieve PUC Target</b>							<b>Minimum Payment</b>
	<b>0%</b>	<b>&lt;10%</b>	<b>10%-25%</b>	<b>25%-50%</b>	<b>50%-75%</b>	<b>75%-90%</b>	<b>90%+</b>	
<b>&lt;=25%</b>	0%	0%	0%	0%	2%	15%	5%	78%
<b>26% - 50%</b>	1%	0%	0%	3%	34%	54%	5%	2%
<b>51% - 75%</b>	2%	1%	3%	19%	54%	20%	1%	0%
<b>76% - 100%</b>	6%	3%	8%	27%	45%	11%	0%	0%
<b>101% - 125%</b>	17%	6%	14%	33%	28%	3%	0%	0%
<b>126% - 150%</b>	28%	8%	16%	29%	17%	1%	0%	0%

<b>Rate RH (Minimum is \$30/Month)</b>								
<b>Targeted Energy Burden is 10%</b>								
<b>Poverty Level</b>	<b>Percent of Customers With Each Level of Discount Off Full 2013 Rate Needed to Achieve PUC Target</b>							<b>Minimum Payment</b>
	<b>0%</b>	<b>&lt;10%</b>	<b>10%-25%</b>	<b>25%-50%</b>	<b>50%-75%</b>	<b>75%-90%</b>	<b>90%+</b>	
<b>&lt;=25%</b>	0%	0%	0%	0%	3%	10%	1%	85%
<b>26% - 50%</b>	3%	1%	3%	13%	45%	32%	1%	2%
<b>51% - 75%</b>	15%	4%	10%	29%	36%	6%	0%	0%
<b>76% - 100%</b>	29%	6%	12%	27%	23%	2%	0%	0%
<b>101% - 125%</b>	43%	10%	14%	24%	8%	0%	0%	0%
<b>126% - 150%</b>	60%	8%	14%	14%	4%	0%	0%	0%

# Attachment 5

## PECO - Electric Operations

### Updated CAP Discount Calculation using APPRISE Study Data (a)

**CAP A/B - R      90%**  
Poverty Level: <= 25%

$$\frac{21 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{4.20 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 21 \% \text{ Total Cap population to be } 100\% \text{ compliant} \\ - \quad 8 \% \text{ Acceptable non-compliant \%} \\ \hline 13 \% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{13 \%}{4.20 \%} = 3.1 \% \text{ points}$$

$$\begin{array}{r} 3.1 \% \text{ points Discount} \\ + \quad 89.0 \% \text{ Base Discount} \\ \hline 92.1 \% \end{array}$$

92 % Total Discount

**CAP C - R      90%**  
Poverty Level: 26% - 50%

$$\frac{9 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{1.80 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 9 \% \text{ Total Cap population to be } 100\% \text{ compliant} \\ - \quad 8 \% \text{ Acceptable non-compliant \%} \\ \hline 1 \% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{1 \%}{1.80 \%} = 0.6 \% \text{ points}$$

$$\begin{array}{r} 0.6 \% \text{ points Discount} \\ + \quad 84.0 \% \text{ Base Discount} \\ \hline 84.6 \% \end{array}$$

85 % Total Discount

**CAP D - R      88%**  
Poverty Level: 51% - 75%

$$\frac{7 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{1.40 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 7 \% \text{ Total Cap population to be } 100\% \text{ compliant} \\ - \quad 2 \% \text{ Acceptable non-compliant \%} \\ \hline 5 \% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{5 \%}{1.40 \%} = 3.6 \% \text{ points}$$

$$\begin{array}{r} 3.6 \% \text{ points Discount} \\ + \quad 64.0 \% \text{ Base Discount} \\ \hline 67.6 \% \end{array}$$

68 % Total Discount

(a) Based on CAP Affordability Targets per Settlement (Exhibit 4) providing for CAP Tiers A, B, and C to target 90% and CAP Tiers D, D1, E, and E1 to target 88%.

## PECO - Electric Operations

### Updated CAP Discount Calculation using APPRISE Study Data (a)

**CAP D1 - R      88%**

Poverty Level: 76% - 100%

$$\frac{5\% \text{ Block}}{5\% \text{ points of discount}} = \frac{1.00\% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 5\% \text{ Total Cap population to be } 100\% \text{ compliant} \\ - \quad 3\% \text{ Acceptable non-compliant } \% \\ \hline 2\% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{2\%}{1.00\%} = 2.0\% \text{ points}$$

$$\begin{array}{r} 2.0\% \text{ points Discount} \\ + \quad 59.0\% \text{ Base Discount} \\ \hline 61.0\% \end{array}$$

61 % Total Discount

**CAP E - R      88%**

Poverty Level: 101% - 125%

$$\frac{3\% \text{ Block}}{5\% \text{ points of discount}} = \frac{0.60\% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 3\% \text{ Total Cap population to be } 100\% \text{ compliant} \\ - \quad 2\% \text{ Acceptable non-compliant } \% \\ \hline 1\% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{1\%}{0.60\%} = 1.7\% \text{ points}$$

$$\begin{array}{r} 1.7\% \text{ points Discount} \\ + \quad 34.0\% \text{ Base Discount} \\ \hline 35.7\% \end{array}$$

36 % Total Discount

**CAP E1 - R      88%**

Poverty Level: 126% - 150%

$$\frac{3\% \text{ Block}}{5\% \text{ points of discount}} = \frac{0.60\% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 3\% \text{ Total Cap population to be } 100\% \text{ compliant} \\ - \quad 2\% \text{ Acceptable non-compliant } \% \\ \hline 1\% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{1\%}{0.60\%} = 1.7\% \text{ points}$$

$$\begin{array}{r} 1.7\% \text{ points Discount} \\ + \quad 19.0\% \text{ Base Discount} \\ \hline 20.7\% \end{array}$$

21 % Total Discount

(a) Based on CAP Affordability Targets per Settlement (Exhibit 4) providing for CAP Tiers A, B, and C to target 90% and CAP Tiers D, D1, E, and E1 to target 88%.

## PECO - Electric Operations

### Updated CAP Discount Calculation using APPRISE Study Data (a)

**CAP A/B - RH**      **90%**  
Poverty Level: <= 25%

$$\frac{19 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{3.80 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 19 \% \text{ Total Cap population to be 100\% compliant} \\ - \quad 3 \% \text{ Acceptable non-compliant \%} \\ \hline 16 \% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{16 \%}{3.80 \%} = 4.2 \% \text{ points}$$

$$\begin{array}{r} 4.2 \% \text{ points Discount} \\ + \quad 84.0 \% \text{ Base Discount} \\ \hline 88.2 \% \end{array}$$

88 % Total Discount

**CAP C - RH**      **90%**  
Poverty Level: 26% - 50%

$$\frac{10 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{2.00 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 10 \% \text{ Total Cap population to be 100\% compliant} \\ - \quad 4 \% \text{ Acceptable non-compliant \%} \\ \hline 6 \% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{6 \%}{2.00 \%} = 3.0 \% \text{ points}$$

$$\begin{array}{r} 3.0 \% \text{ points Discount} \\ + \quad 74.0 \% \text{ Base Discount} \\ \hline 77.0 \% \end{array}$$

77 % Total Discount

**CAP D - RH**      **88%**  
Poverty Level: 51% - 75%

$$\frac{4 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{0.80 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 4 \% \text{ Total Cap population to be 100\% compliant} \\ - \quad 3 \% \text{ Acceptable non-compliant \%} \\ \hline 1 \% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{1 \%}{0.80 \%} = 1.3 \% \text{ points}$$

$$\begin{array}{r} 1.3 \% \text{ points Discount} \\ + \quad 49.0 \% \text{ Base Discount} \\ \hline 50.3 \% \end{array}$$

50 % Total Discount

(a) Based on CAP Affordability Targets per Settlement (Exhibit 4) providing for CAP Tiers A, B, and C to target 90% and CAP Tiers D, D1, E, and E1 to target 88%.

## PECO - Electric Operations

### Updated CAP Discount Calculation using APPRISE Study Data (a)

**CAP D1 - RH      88%**

Poverty Level: 76% - 100%

$$\frac{3 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{0.60 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{aligned} & 3 \% \text{ Total Cap population to be } 100\% \text{ compliant} \\ - & \frac{1 \% \text{ Acceptable non-compliant \%}}{2 \% \text{ Additional CAP population to cover}} \end{aligned}$$

$$\frac{2 \%}{0.60 \%} = 3.3 \% \text{ points}$$

$$\begin{aligned} & 3.3 \% \text{ points Discount} \\ + & \frac{34.0 \% \text{ Base Discount}}{37.3 \%} \end{aligned}$$

37 % Total Discount

**CAP E - RH      88%**

Poverty Level: 101% - 125%

$$\frac{3 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{0.60 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{aligned} & 3 \% \text{ Total Cap population to be } 100\% \text{ compliant} \\ - & \frac{1 \% \text{ Acceptable non-compliant \%}}{2 \% \text{ Additional CAP population to cover}} \end{aligned}$$

$$\frac{2 \%}{0.60 \%} = 3.3 \% \text{ points}$$

$$\begin{aligned} & 3.3 \% \text{ points Discount} \\ + & \frac{0.0 \% \text{ Base Discount}}{3.3 \%} \end{aligned}$$

3 % Total Discount

**CAP E1 - RH      88%**

Poverty Level: 126% - 150%

0 % Total Discount

(a) Based on CAP Affordability Targets per Settlement (Exhibit 4) providing for CAP Tiers A, B, and C to target 90% and CAP Tiers D, D1, E, and E1 to target 88%.