



An Exelon Company

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PECO  
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Philadelphia, PA 19103

January 14, 2013

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. 64  
Effective March 1, 2013, Docket No. P-2008-2062739

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission Supplement No. 64 to PECO's Tariff Electric PA. P.U.C. No. 4. This Supplement contains PECO's monthly adjustment to the Generation Supply Adjustment (GSA) for Procurement Class 4 - Hourly Pricing effective March 1, 2013 through March 31, 2013. 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 March reflects an increase of 1.31 cents/kWh compared to February'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  
January 14, 2013  
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: March 1, 2013 through March 31, 2013

cents/kWh

	Amount	GSA Rate			Rate GS			Rate PD			Rate HT			Rate EP		
		w/o GRT	Incl. Line	w/GRT Loss Ratio	w/o GRT	Incl. Line	w/GRT Loss Ratio	w/o GRT	Incl. Line	w/GRT Loss Ratio	w/o GRT	Incl. Line	w/GRT Loss Ratio	w/o GRT	Incl. Line	w/GRT Loss Ratio
<b>AS Ancillary Services and Alternative Energy Portfolio Standards Factor</b>																
-Ancillary Service and AEPS (a)	\$ 110,957 page 2	0.39	0.41	0.44	0.41	0.41	0.44	0.41	0.41	0.44	0.39	0.41	0.39	0.39	0.41	0.41
<b>Total Ancillary Service Cost and Alternative Energy Portfolio Standards Factor</b>	\$ 110,957	0.39	0.41	0.44	0.41	0.41	0.44	0.41	0.41	0.44	0.39	0.41	0.39	0.39	0.41	0.41
<b>AC Administrative Cost Factor</b>																
-Administrative Cost	\$ 13,221 page 2	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
<b>Total Administrative Service Cost</b>	\$ 13,221	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
<b>E Factor Including Interest</b>																
-Over/(Under) Collection, Jan 2011 to Nov 2012	\$ 684,151 page 6	2.38	2.38	2.53	2.38	2.38	2.53	2.38	2.38	2.53	2.38	2.38	2.38	2.38	2.53	2.53
-Net Interest Jan 2011 to Nov 2012	\$ 24,877 page 7	0.09	0.09	0.10	0.09	0.09	0.10	0.09	0.09	0.10	0.09	0.09	0.09	0.09	0.10	0.10
-Prior Period Over/Under Collection Revenue, Dec 2012 to Feb 2013	\$ (1,082,993) page 5	(3.77)	(3.77)	(4.01)	(3.77)	(3.77)	(4.01)	(3.77)	(3.77)	(4.01)	(3.77)	(3.77)	(3.77)	(3.77)	(4.01)	(4.01)
-Prior Period Interest Revenue, Dec 2012 to Feb 2013	\$ (35,067) page 7	(0.12)	(0.12)	(0.13)	(0.12)	(0.12)	(0.13)	(0.12)	(0.12)	(0.13)	(0.12)	(0.12)	(0.12)	(0.12)	(0.13)	(0.13)
<b>Total E Factor Including Interest</b>	\$ (409,032)	(1.42)	(1.42)	(1.51)	(1.42)	(1.42)	(1.51)	(1.42)	(1.42)	(1.51)	(1.42)	(1.42)	(1.42)	(1.42)	(1.51)	(1.51)
<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	0.04	0.04
<b>Total 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	0.04	0.04
<b>Total GSA Rate (AS + AC - E + WC)</b>		1.90	1.92	2.04	1.92	1.92	2.04	1.92	1.92	2.04	1.90	1.90	1.90	1.90	2.01	2.01
<b>S Sales for Application Period in kWh</b>	28,757,035 page 3															
<b>Gross Receipts Tax (GRT)</b>	5.90%															

(a) Adjusted for overall line loss factor ratio

(b) Based on Settlement at Docket No. R-2010-2161575

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

**For the Period March 1, 2013 through March 31, 2013**

<b>Month</b>	<b>Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance</b>	<b>Administrative Cost</b>
<b>Mar-13</b>	<b>\$110,957</b>	<b>(2)</b>
		<b>\$13,221</b>

**PECO GSA 4 (Hourly) Default kWh Sales  
For the Period March 1, 2013 through March 31, 2013**

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh	Rate EP kWh
Mar-13	28,757,035	1,615,525	297,297	26,844,214	-



**PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections  
For the Period January 1, 2011 through November 30, 2012  
and December 2012, January 2013 and February 2013**

**Current Revenue for Over/(Under) Excluding GRT**

**Prior Period Revenue for Over/(Under) Excluding GRT**

Month	Default Supplier and PECO Provided Current Revenue for Ancillary Services and AEPS Excl GRT		(7)	(8)	(9)	(10)=(7)+(8)+(9)	E Factor Excl Interest and GRT for 1 month recovery	(11)	E Factor Excl Interest and GRT for 12 month recovery	(12)	(13)=(11)+(12)	Total Current and Prior Period Revenue Excl GRT	(14)=(10)+(13)	
	Default Supplier and PECO Provided Current Revenue for Ancillary Services and AEPS Excl GRT	PECO Provided Current Revenue for Ancillary Services and AEPS Excl GRT												
Jan-11	\$24,455,104	\$1,651,272	\$24,455,104	\$1,651,272	\$60,874	\$26,167,250	\$0	\$0	\$0	\$0	\$0	\$26,167,250	\$26,167,250	
Feb-11	\$10,251,115	\$664,584	\$10,251,115	\$664,584	\$24,978	\$10,940,677	\$0	\$0	\$0	\$0	\$0	\$10,940,677	\$10,940,677	
Mar-11	\$5,043,998	\$409,311	\$5,043,998	\$409,311	\$15,386	\$5,468,695	\$0	\$0	\$0	\$0	\$0	\$5,468,695	\$5,468,695	
Apr-11	\$3,906,476	\$316,729	\$3,906,476	\$316,729	\$17,579	\$4,240,784	\$0	\$0	\$0	\$0	\$0	\$4,240,784	\$4,240,784	
May-11	\$5,258,624	\$427,526	\$5,258,624	\$427,526	\$28,273	\$5,714,423	\$0	\$0	\$184,181	\$184,181	\$184,181	\$5,998,604	\$5,998,604	
Jun-11	\$4,495,574	\$325,692	\$4,495,574	\$325,692	\$24,712	\$4,845,978	\$0	\$0	\$226,781	\$226,781	\$226,781	\$5,072,759	\$5,072,759	
Jul-11	\$4,757,684	\$324,980	\$4,757,684	\$324,980	\$18,642	\$5,101,306	(\$111,455)	(\$111,455)	\$229,466	\$229,466	\$118,011	\$5,219,317	\$5,219,317	
Aug-11	\$5,767,104	\$368,408	\$5,767,104	\$368,408	\$20,827	\$6,156,339	(\$313,056)	(\$313,056)	\$547,846	\$547,846	\$234,790	\$6,391,129	\$6,391,129	
Sep-11	\$3,359,340	\$301,880	\$3,359,340	\$301,880	\$22,442	\$3,683,662	(\$346,372)	(\$346,372)	\$489,697	\$489,697	\$143,325	\$3,826,987	\$3,826,987	
Oct-11	\$2,500,373	\$227,942	\$2,500,373	\$227,942	\$21,014	\$2,749,329	(\$177,142)	(\$177,142)	\$404,246	\$404,246	\$227,104	\$2,976,433	\$2,976,433	
Nov-11	\$2,202,833	\$199,591	\$2,202,833	\$199,591	\$18,364	\$2,420,788	\$818,993	\$818,993	\$330,674	\$330,674	\$1,149,667	\$3,570,455	\$3,570,455	
Dec-11	\$2,000,231	\$200,152	\$2,000,231	\$200,152	\$14,730	\$2,215,113	(\$1,281,790)	(\$1,281,790)	\$361,423	\$361,423	(\$920,367)	\$1,294,746	\$1,294,746	
Jan-12	\$2,298,875	\$245,020	\$2,298,875	\$245,020	\$9,006	\$2,552,901	\$129,832	\$129,832	\$446,622	\$446,622	\$576,454	\$3,129,355	\$3,129,355	
Feb-12	\$2,437,830	\$264,882	\$2,437,830	\$264,882	\$14,477	\$2,717,189	(\$1,017,131)	(\$1,017,131)	\$1,627,410	\$1,627,410	\$610,279	\$3,327,468	\$3,327,468	
Mar-12	\$2,031,710	\$223,802	\$2,031,710	\$223,802	\$16,991	\$2,272,503	(\$322,420)	(\$322,420)	\$1,394,127	\$1,394,127	\$1,071,707	\$3,344,210	\$3,344,210	
Apr-12	\$1,622,076	\$192,371	\$1,622,076	\$192,371	\$14,318	\$1,828,765	(\$279,052)	(\$279,052)	\$1,108,563	\$1,108,563	\$829,511	\$2,658,276	\$2,658,276	
May-12	\$1,233,793	\$174,620	\$1,233,793	\$174,620	\$13,061	\$1,421,474	\$639,301	\$639,301	\$0	\$0	\$639,301	\$2,060,775	\$2,060,775	
Jun-12	\$1,868,387	\$170,346	\$1,868,387	\$170,346	\$12,335	\$2,051,068	(\$301,145)	(\$301,145)	\$0	\$0	(\$301,145)	\$1,749,923	\$1,749,923	
Jul-12	\$2,797,561	\$189,963	\$2,797,561	\$189,963	\$13,744	\$3,001,268	(\$1,715,471)	(\$1,715,471)	\$0	\$0	(\$460,976)	\$1,285,797	\$1,285,797	
Aug-12	\$2,940,318	\$186,222	\$2,940,318	\$186,222	\$13,498	\$3,140,038	(\$460,976)	(\$460,976)	\$0	\$0	(\$460,976)	\$2,679,062	\$2,679,062	
Sep-12	\$1,995,893	\$163,645	\$1,995,893	\$163,645	\$15,574	\$2,175,112	\$802,413	\$802,413	\$0	\$0	\$802,413	\$2,977,525	\$2,977,525	
Oct-12	\$1,830,199	\$150,331	\$1,830,199	\$150,331	\$17,788	\$1,998,318	\$924,264	\$924,264	\$0	\$0	\$924,264	\$2,922,582	\$2,922,582	
Nov-12	\$1,859,362	\$138,285	\$1,859,362	\$138,285	\$13,389	\$2,011,036	\$271,329	\$271,329	\$0	\$0	\$271,329	\$2,282,365	\$2,282,365	
Dec-12							(\$997,213)	(\$997,213)						
Jan-13							(\$141,998)	(\$141,998)						
Feb-13							\$56,218	\$56,218						

**PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections  
For the Period January 1, 2011 through November 30, 2012  
and December 2012, January 2013 and February 2013**

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	\$908,785	(\$105,299)	\$0	\$1,616,218	\$908,785	(\$1,721,517)
Oct-12	\$844,243	\$738,944	\$0	\$1,616,218	\$844,243	(\$877,274)
Nov-12	(\$54,793)	\$684,151	\$0	\$1,616,218	(\$54,793)	(\$932,067)
Dec-12						
Jan-13						
Feb-13						

**PECO GSA 4 (Hourly) Actual Interest Calculation  
For the Period January 1, 2011 through November 30, 2012  
and December 2012, January 2013 and February 2013**

Month	Current Period Portion of Revenue (1) = (10) from Attachment 1, Page 5 of 8	Total Cost (2) = (6) from Attachment 1, Page 4 of 8	Current Over/(Under) Collection for Interest (3) = (1) - (2)	Interest Rate (4)	Interest Time Factor (5)	Interest Time Factor Denominator (6)	Total Interest to be Returned to Customers (7) = (3) x (4) x (5) / (6)	Interest Revenue Excl GRT in E Factor Recovered from Customers for 1 month recovery (8)	Interest Revenue Excl GRT in E Factor Recovered from Customers for 12 month recovery (9)	Cumulative Interest to be Returned to Customers (10) = (7) + (8) + (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	\$5,468,695	\$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	\$6,140	(\$210,489)
Jun-11	\$4,845,978	\$4,809,659	\$36,319	8.00%	4.5	12	\$1,090	\$0	\$6,479	(\$202,920)
Jul-11	\$5,101,306	\$6,069,585	(\$968,279)	8.00%	4.5	12	(\$21,786)	(\$6,556)	\$6,556	(\$224,706)
Aug-11	\$6,156,339	\$4,697,971	\$1,458,368	8.00%	4.5	12	\$43,751	(\$7,114)	\$21,345	(\$166,724)
Sep-11	\$3,683,662	\$3,773,831	(\$90,169)	8.00%	4.5	12	(\$2,029)	(\$11,944)	\$17,916	(\$162,781)
Oct-11	\$2,749,329	\$2,390,521	\$358,808	8.00%	4.5	12	\$10,764	(\$4,542)	\$18,168	(\$138,391)
Nov-11	\$2,420,788	\$2,033,737	\$387,051	8.00%	4.5	12	\$11,612	\$19,226	\$15,381	(\$92,172)
Dec-11	\$2,215,113	\$2,056,982	\$158,131	8.00%	4.5	12	\$4,744	(\$33,621)	\$20,773	(\$104,239)
Jan-12	\$2,552,901	\$2,647,617	(\$94,716)	8.00%	4.5	12	(\$2,131)	(\$36,513)	\$73,025	(\$85,597)
Feb-12	\$2,717,189	\$2,336,877	\$380,312	8.00%	4.5	12	\$11,409	(\$13,823)	\$63,576	(\$37,676)
Mar-12	\$2,272,503	\$2,249,632	\$22,871	8.00%	4.5	12	\$686	\$0	\$49,694	\$12,963
Apr-12	\$1,828,765	\$1,691,989	\$136,776	8.00%	4.5	12	\$4,103	\$14,051	\$0	\$64,967
May-12	\$1,421,474	\$2,125,669	(\$704,195)	8.00%	4.5	12	(\$15,844)	(\$7,257)	\$0	\$45,147
Jun-12	\$2,051,068	\$2,609,437	(\$558,369)	6.00%	4.5	12	(\$12,563)	(\$74,993)	\$0	(\$37,048)
Jul-12	\$3,001,268	\$3,321,354	(\$320,086)	6.00%	4.5	12	\$29,258	(\$14,406)	\$0	(\$22,196)
Aug-12	\$3,140,038	\$2,164,760	\$975,278	8.00%	4.5	12	\$3,191	\$19,289	\$0	\$284
Sep-12	\$2,175,112	\$2,068,740	\$106,372	8.00%	4.5	12	(\$1,800)	\$26,194	\$0	\$24,678
Oct-12	\$1,986,318	\$2,078,339	(\$80,021)	6.00%	4.5	12	(\$1,800)	\$7,537	\$0	\$24,877
Nov-12	\$2,011,036	\$2,337,158	(\$326,122)	6.00%	4.5	12	(\$7,338)	(\$31,911)	\$0	\$0
Jan-13								(\$3,156)	\$0	\$0
Feb-13								\$0	\$0	\$0

**PECO GSA 4 (Hourly) Actual Interest Calculation  
For the Period January 1, 2011 through November 30, 2012  
and December 2012, January 2013 and February 2013**

Month	Monthly Portion of Interest Revenue for 12 month recovery	Cumulative Portion of Interest, Net of Interest Revenue for 12 month recovery	Monthly Portion of Interest, Net of Interest Revenue for 1 month recovery	Cumulative Portion of Interest, Net of Interest Revenue for 1 month recovery
	(11) = (7) for Jan 2011 and Feb 2011+ (9)	(12) = Cumulative from (11)	(13) = (7) + (8)	(14) = Cumulative from (13)
Jan-11	(\$497,879)	(\$497,879)	\$0	\$0
Feb-11	\$253,366	(\$244,513)	\$0	\$0
Mar-11	\$0	(\$244,513)	\$8,109	\$8,109
Apr-11	\$0	(\$244,513)	\$9,448	\$17,557
May-11	\$6,140	(\$238,373)	\$10,327	\$27,884
Jun-11	\$6,479	(\$231,894)	\$1,090	\$28,974
Jul-11	\$6,556	(\$225,338)	(\$28,342)	\$632
Aug-11	\$21,345	(\$203,993)	\$36,637	\$37,269
Sep-11	\$17,916	(\$186,077)	(\$13,973)	\$23,296
Oct-11	\$18,168	(\$167,909)	\$6,222	\$29,518
Nov-11	\$15,381	(\$152,528)	\$30,838	\$60,356
Dec-11	\$16,810	(\$135,718)	(\$28,877)	\$31,479
Jan-12	\$20,773	(\$114,945)	(\$2,131)	\$29,348
Feb-12	\$73,025	(\$41,920)	(\$25,104)	\$4,244
Mar-12	\$63,576	\$21,656	(\$12,937)	(\$8,693)
Apr-12	\$49,694	\$71,350	\$4,103	(\$4,590)
May-12	\$0	\$71,350	(\$1,793)	(\$6,383)
Jun-12	\$0	\$71,350	(\$19,820)	(\$26,203)
Jul-12	\$0	\$71,350	(\$82,195)	(\$108,398)
Aug-12	\$0	\$71,350	\$14,852	(\$93,546)
Sep-12	\$0	\$71,350	\$22,480	(\$71,066)
Oct-12	\$0	\$71,350	\$24,394	(\$46,672)
Nov-12	\$0	\$71,350	\$199	(\$46,473)
Dec-12				
Jan-13				
Feb-13				

**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 January 14, 2013

Effective March 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

Generation Supply Adjustment for Procurement Classes 4 – Loads Greater Than 500 kW – 29th Revised Page No. 33  
Reflects monthly adjustment for Procurement Class 4 – hourly pricing pursuant to Order at Docket No. P-2008-2062739.

**PECO Energy Company**

**TABLE OF CONTENTS**

List of Communities Served.....	4
How to Use Loose-Leaf Tariff.....	5
Definition of Terms and Explanation of Abbreviations.....	6 <sup>1</sup> ,7,8 <sup>2</sup> ,9
<b>RULES AND REGULATIONS:</b>	
1. The Tariff.....	10 <sup>2</sup>
2. Service Limitations.....	10 <sup>2</sup>
3. Customer's Installation.....	11 <sup>1</sup>
4. Application for Service.....	12
5. Credit.....	13 <sup>2</sup>
6. Private-Property Construction.....	14 <sup>2</sup>
7. Extensions.....	15 <sup>1</sup> ,16
8. Rights-of-Way.....	17
9. Introduction of Service.....	18 <sup>1</sup>
10. Company Equipment.....	18 <sup>1</sup>
11. Tariff and Contract Options.....	19 <sup>1</sup>
12. Service Continuity.....	20
13. Customer's Use of Service.....	21
14. Metering.....	21
15. Demand Determination.....	22 <sup>2</sup>
16. Meter Tests.....	23
17. Billing and Standard Payment Options.....	24 <sup>4</sup>
18. Payment Terms & Termination of Service.....	25 <sup>5</sup>
19. Unfulfilled Contracts.....	25 <sup>5</sup>
20. Cancellation by Customer.....	26 <sup>1</sup>
21. General.....	27 <sup>2</sup>
22. Rules For Designation of Procurement Class.....	27 <sup>2</sup>
23. EGS Switching.....	28
24. Load Data Exchange.....	29
<b>STATE TAX ADJUSTMENT CLAUSE.....</b>	<b>30<sup>4</sup></b>
Generation Supply Adjustment For Procurement Class 1, 2, 3.....	31 <sup>13</sup> ,32 <sup>12</sup>
Generation Supply Adjustment for Procurement Class 1, 2, 3.....	31A, 32A
Generation Supply Adjustment For Procurement Class 4.....	33 <sup>29</sup>
Generation Supply Adjustment For Procurement Class 4.....	33A
Reconciliation.....	34 <sup>4</sup> ,34A
Reconciliation – Transition Period.....	34B
Provision for Surcharge Recovery of Alternative Energy Portfolio Standard Costs.....	35 <sup>5</sup> , 36 <sup>2</sup>
Provision for Surcharge Recovery of Alternative Energy Portfolio Standard Costs – Transition Period.....	35A
<b>NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA).....</b>	<b>37<sup>1</sup></b>
Provisions for Recovery of UNIVERSAL SERVICE FUND CHARGE (USFC).....	38 <sup>4</sup>
Provisions for Recovery of SUPPLEMENTAL UNIVERSAL SERVICE FUND COSTS.....	39 <sup>1</sup>
<b>PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS.....</b>	<b>40<sup>3</sup></b>
<b>TRANSMISSION SERVICE CHARGE.....</b>	<b>40A<sup>4</sup></b>
<b>SMART METER COST RECOVERY SURCHARGE.....</b>	<b>40B<sup>5</sup></b>
<b>PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS (EEPC).....</b>	<b>40C<sup>2</sup></b>
Provision for the Tax Accounting Repair Credit (TARC).....	40D
<b>RATES:</b>	
Rate R Residence Service.....	41 <sup>10</sup>
Rate R-H Residential Heating Service.....	43 <sup>10</sup>
Rate RS-2 Net Metering.....	44 <sup>1</sup> , 45 <sup>2</sup>
Rate OP Off-Peak Service.....	46 <sup>4</sup>
Rate GS General Service.....	47 <sup>10</sup> ,48 <sup>2</sup> ,49 <sup>2</sup>
Rate PD Primary-Distribution Power.....	50 <sup>7</sup>
Rate HT High-Tension Power.....	51 <sup>9</sup>
Rate POL Private Outdoor Lighting.....	52 <sup>2</sup> ,53
Rate SL-S Street Lighting-Suburban Counties.....	57 <sup>2</sup> ,58
Rate SL-E Street Lighting Customer-Owned Facilities.....	59 <sup>3</sup> ,60
Rate TLCL Traffic Lighting Constant Load Service.....	61 <sup>3</sup>
Rate BLI Borderline Interchange Service.....	62
Rate EP Electric Propulsion.....	63 <sup>5</sup>
Rate AL Alley Lighting in City of Philadelphia.....	64 <sup>2</sup>
<b>RIDERS:</b>	
Applicability Index of Riders.....	65 <sup>2</sup>
Auxiliary Service Rider.....	66 <sup>1</sup> ,67 <sup>1</sup> ,68 <sup>1</sup>
CAP Rider - Customer Assistance Program.....	69 <sup>8</sup> , 70 <sup>2</sup>
Casualty Rider.....	71 <sup>1</sup>
Commercial/Industrial Direct Load Control Program Rider.....	71A, 71B
Construction Rider.....	72

**PECO Energy Company**

**GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 4  
 LOADS GREATER THAN 500KW**

**Applicability:** This adjustment shall apply to all customers taking default service from the Company with demands greater than 500kw.

**Hourly Pricing Service**

**Pricing:** The rates below shall include the cost of procuring power to serve the default service customers plus associated administrative expenses incurred in acquiring power and gaining regulatory approval of any procurement strategy and plan. The cost for this hourly service rate shall be as follows:

**Generation Supply Cost (GSC) = (C+R+AS+AC-E)/(1-T)+WCA** where;

**C=** The PJM day ahead hourly price multiplied by the customers usage in the hour summed up for all hours in the month

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

**PJM<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** =  $\Sigma O(U) / S_4 \times \text{usage}$  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.

<b>Tariff Rate</b>	<b>GS</b>	<b>PD</b>	<b>HT</b>	<b>EP</b>
Hourly Pricing Adder* (cents/kWh)	<b>2.04</b>	<b>2.04</b>	<b>2.01</b>	<b>2.01</b>

(I)

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

**Fixed Price Contract**

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

(I) Denotes Increase