



An Exelon Company

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March 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. 69
 Effective May 1, 2013, Docket No. P-2008-2062739**

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission Supplement No. 69 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 May 1, 2013 through May 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 May reflects a decrease of 0.06 cents/kWh compared to April’s rate for Procurement Class 4 - Hourly Pricing.

Please note as shown on Attachment 1, page 1, the proposed rate includes an adjustment (including interest) of \$3,644,749 for a very large GSA 4 customer to reflect January 2013 billed revenues. See Attachment 1, page 8 for details on the calculation of the revenues and interest adjustment. These revenues were inadvertently excluded from the GSA 4 revenues due to a billing issue. Inclusion of these revenues ensures proper matching of fuel costs to revenues.

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
March 14, 2013
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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 blue ink that reads "Richard G. Webster, Jr." with a date "3/14/13" written at the end.

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: May 1, 2013 through May 31, 2013

cents/kWh

	Amount	Rate GS			Rate PD			Rate HT			Rate EP		
		w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio		
AS Ancillary Services and Alternative Energy Portfolio Standards Factor													
-Ancillary Service and AEFS (a)	\$ 97,208 page 2	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	\$ 97,208	0.41	0.44	0.41	0.44	0.39	0.41	0.39	0.41	0.39	0.41	0.39	0.41
AC Administrative Cost Factor													
-Administrative Cost	\$ 12,959 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
Total Administrative Service Cost	\$ 12,959	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
E Factor Including Interest													
-Over/(Under) Collection Jan 2011 to Jan 2013	\$ (3,772,793) page 6	(14.98)	(15.92)	(14.98)	(15.92)	(14.98)	(15.92)	(14.98)	(15.92)	(14.98)	(15.92)	(14.98)	(15.92)
-Net Interest Jan 2011 to Jan 2013	\$ (84,110) page 7	(0.33)	(0.35)	(0.33)	(0.35)	(0.33)	(0.35)	(0.33)	(0.35)	(0.33)	(0.35)	(0.33)	(0.35)
-Customer-Jan 2013 OIU	\$ 3,588,991 page 8	14.05	14.93	14.05	14.93	14.05	14.93	14.05	14.93	14.05	14.93	14.05	14.93
-Customer-Jan 2013 Interest	\$ 106,158 page 8	0.42	0.45	0.42	0.45	0.42	0.45	0.42	0.45	0.42	0.45	0.42	0.45
-Prior Period Over/Under Collection Revenue, Feb 2013 to Apr 2013	\$ 200,149 page 5	0.79	0.84	0.79	0.84	0.79	0.84	0.79	0.84	0.79	0.84	0.79	0.84
-Prior Period Interest Revenue, Feb 2013 to Apr 2013	\$ 11,048 page 7	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 E Factor Including Interest	\$ (957)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
WC Working Capital Adjustment													
-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
Total Working Capital Adjustment		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 GSA Rate (AS + AC - E + WC)		0.49	0.54	0.51	0.54	0.49	0.51	0.49	0.51	0.49	0.51	0.49	0.51
S Sales for Application Period in kWh	25,192,424 page 3												
Gross Receipts Tax (GRT)	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 May 1, 2013 through May 31, 2013**

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance	Administrative Cost
May-13	(\$97,208) (1)	\$12,959 (2)

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

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh	Rate EP kWh
May-13	25,192,424	1,328,299	261,898	23,602,227	-

PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections
For the Period January 1, 2011 through January 31, 2013
and February 2013, March 2013 and April 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)
	Capacity Excl GRT	PECO Provided Current Revenue for Ancillary Services and AEPS Excl GRT											
Jan-11	\$24,455,104	\$1,651,272		\$60,874	\$26,167,250	\$0	\$0	\$0	\$0	\$0	\$0	\$26,167,250	
Feb-11	\$10,251,115	\$664,584		\$24,978	\$10,940,677	\$0	\$0	\$0	\$0	\$0	\$0	\$10,940,677	
Mar-11	\$5,043,998	\$409,311		\$15,386	\$5,468,695	\$0	\$0	\$0	\$0	\$0	\$0	\$5,468,695	
Apr-11	\$3,906,476	\$316,729		\$17,579	\$4,240,784	\$0	\$0	\$0	\$0	\$0	\$0	\$4,240,784	
May-11	\$5,258,624	\$427,526		\$28,273	\$5,714,423	\$0	\$0	\$0	\$184,181	\$184,181	\$184,181	\$5,898,604	
Jun-11	\$4,495,574	\$325,692		\$24,712	\$4,845,978	\$0	\$0	\$0	\$226,781	\$226,781	\$226,781	\$5,072,759	
Jul-11	\$4,757,684	\$324,980		\$18,642	\$5,101,306	(\$111,455)	(\$111,455)	\$229,466	\$547,846	\$330,674	\$118,011	\$5,219,317	
Aug-11	\$5,767,104	\$368,408		\$20,827	\$6,156,339	\$3,683,662	(\$313,056)	\$547,846	\$489,697	\$920,367	\$234,790	\$6,391,129	
Sep-11	\$3,359,340	\$301,880		\$22,442	\$3,683,662	\$2,749,329	(\$346,372)	\$404,246	\$330,674	\$734,922	\$143,325	\$3,826,987	
Oct-11	\$2,500,373	\$227,942		\$21,014	\$2,749,329	\$2,420,788	(\$177,142)	\$818,993	\$446,622	\$1,265,615	\$227,104	\$2,976,433	
Nov-11	\$2,202,833	\$199,591		\$18,364	\$2,420,788	\$2,215,113	\$818,993	\$129,832	\$1,627,410	\$2,457,242	\$920,367	\$3,570,455	
Dec-11	\$2,000,231	\$200,152		\$14,730	\$2,215,113	\$2,552,901	\$1,281,790	\$129,832	\$446,622	\$1,738,412	(\$920,367)	\$1,294,746	
Jan-12	\$2,298,875	\$245,020		\$9,006	\$2,552,901	\$2,717,189	\$129,832	\$1,017,131	\$1,627,410	\$2,644,541	\$576,454	\$3,129,355	
Feb-12	\$2,437,830	\$264,882		\$14,477	\$2,717,189	\$2,272,503	(\$1,017,131)	(\$322,420)	\$1,394,127	\$1,071,707	\$610,279	\$3,327,468	
Mar-12	\$2,031,710	\$223,802		\$16,991	\$2,272,503	\$1,828,765	(\$322,420)	(\$279,052)	\$1,108,563	\$639,301	\$829,511	\$3,344,210	
Apr-12	\$1,622,076	\$192,371		\$14,318	\$1,828,765	\$1,421,474	(\$279,052)	\$639,301	\$0	\$639,301	\$639,301	\$2,668,276	
May-12	\$1,233,793	\$174,620		\$13,061	\$1,421,474	\$2,051,068	(\$301,145)	\$301,145	\$0	\$0	(\$301,145)	\$2,060,775	
Jun-12	\$1,868,387	\$170,346		\$12,335	\$2,051,068	\$3,001,268	(\$301,145)	\$1,715,471	\$0	(\$1,715,471)	(\$1,715,471)	\$1,749,923	
Jul-12	\$2,797,561	\$189,963		\$13,744	\$3,001,268	\$3,140,038	(\$1,715,471)	(\$460,976)	\$0	(\$460,976)	(\$460,976)	\$1,285,797	
Aug-12	\$2,940,318	\$186,222		\$13,498	\$3,140,038	\$2,175,112	(\$460,976)	\$802,413	\$0	\$802,413	\$802,413	\$2,679,062	
Sep-12	\$1,995,893	\$163,645		\$15,574	\$2,175,112	\$1,998,318	\$802,413	\$924,264	\$0	\$924,264	\$924,264	\$2,977,525	
Oct-12	\$1,890,199	\$150,331		\$17,788	\$1,998,318	\$2,011,036	\$924,264	\$271,329	\$0	\$271,329	\$271,329	\$2,922,582	
Nov-12	\$1,859,362	\$138,285		\$13,389	\$2,011,036	\$2,326,971	\$271,329	(\$997,213)	\$0	(\$997,213)	(\$997,213)	\$2,282,365	
Dec-12	\$2,145,353	\$165,659		\$15,959	\$2,326,971	\$2,502,852	(\$997,213)	(\$246,585)	\$0	(\$246,585)	(\$246,585)	\$1,329,758	
Jan-13	\$2,291,245	\$192,998		\$18,609	\$2,502,852		(\$211,228)	\$396,427	\$0	(\$211,228)	(\$211,228)	\$2,256,267	
Feb-13							\$396,427	\$14,950	\$0	\$0	\$396,427		
Mar-13							\$14,950	\$0	\$0	\$0	\$14,950		
Apr-13							\$0	\$0	\$0	\$0	\$0		

**PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections
 For the Period January 1, 2011 through January 31, 2013
 and February 2013, March 2013 and April 2013**

Month	Monthly Over/(Under) Collection	Cumulative Over/(Under) Collection
	(15)=(14)-(6)	(16)=Cumulative from (15)
Jan-11	(\$9,957,582)	(\$9,957,582)
Feb-11	\$4,222,764	(\$5,734,818)
Mar-11	\$270,314	(\$5,464,504)
Apr-11	\$314,927	(\$5,149,577)
May-11	\$528,422	(\$4,621,155)
Jun-11	\$263,100	(\$4,358,055)
Jul-11	(\$850,268)	(\$5,208,323)
Aug-11	\$1,693,158	(\$3,515,165)
Sep-11	\$53,156	(\$3,462,009)
Oct-11	\$585,912	(\$2,876,097)
Nov-11	\$1,536,718	(\$1,339,379)
Dec-11	(\$762,236)	(\$2,101,615)
Jan-12	\$481,738	(\$1,619,877)
Feb-12	\$990,591	(\$629,286)
Mar-12	\$1,094,578	\$465,292
Apr-12	\$966,287	\$1,431,579
May-12	(\$64,894)	\$1,366,685
Jun-12	(\$859,514)	\$507,171
Jul-12	(\$2,035,557)	(\$1,528,386)
Aug-12	\$514,302	(\$1,014,084)
Sep-12	\$908,785	(\$105,299)
Oct-12	\$844,243	\$738,944
Nov-12	(\$54,793)	\$684,151
Dec-12	(\$903,928)	(\$219,777)
Jan-13	(\$3,553,016)	(\$3,772,793)
Feb-13		
Mar-13		
Apr-13		

**GSA 4 Hourly Customer
January 2013 Bill**

	<u>Incl</u> <u>GRT</u>	<u>Excl</u> <u>GRT</u>
Administrative Charge	\$ 28,929.97	\$ 27,223
Generation Charge	\$ 2,876,713.47	\$ 2,706,987
Peak Load Contribution	\$ 558,282.20	\$ 525,344
Ancillary Charge	\$ 296,532.17	\$ 279,037
Purchased Generation Adj	\$ (354,392.11)	\$ (333,483)
Working Capital Charge	\$ <u>28,929.97</u>	\$ <u>27,223</u>
Total	\$ 3,434,995.67	\$ 3,232,331

Excl GRT 5.90%

EXCLUDING GRT

Revenues for Over/(Under) Collection, Excl GRT

Administrative Charge	\$ 27,223
Generation Charge	\$ 2,706,987
Peak Load Contribution	\$ 525,344
Ancillary Charge	\$ <u>279,037</u>
	\$ 3,538,591

For Interest Calculation \$ 3,538,591

times 0.08

times 4.5

divide by 12

Interest \$ 106,158

Over/(Under) Collection Revenues	\$ 3,538,591
Interest	\$ <u>106,158</u>
Total	\$ 3,644,749

ATTACHMENT 2

PECO ENERGY COMPANY

REVISED GSA TARIFF

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued March 14, 2013

Effective May 1, 2013

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

NOTICE.

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Generation Supply Adjustment for Procurement Class 4 Loads Greater Than 500 kW- 31st Revised Page No. 33

Reflects monthly adjustment for Procurement Class 4 pursuant to Order at Docket No. P-2008-2062739.

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GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 4
LOADS GREATER THAN 500 KW – RATES THRU 5/31/2013

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_{DA} – 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_{RPM} x Bill Days

PLC = peak load contribution

RM = reserve margin adjustment per PJM

P_{RPM} = 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 x 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_{AS} = \$/MWH charged by PJM for ancillary services

AEPS = cost of complying with the alternative energy portfolio standard

S_{AEPS} = 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

S₄ = 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.

(D)

Tariff Rate	GS	PD	HT	EP
Hourly Pricing Adder* (cents/kWh)	0.54	0.54	0.51	0.51

* 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.

(D) Denotes Decrease