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An Exelon Company

PECO
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June 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. 80
Effective August 1, 2013, Docket No. P-2012-2283641

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission Supplement No. 80 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 August 1, 2013 through August 31, 2013. This filing is made in accordance with PECO's Second Default Service Program ("DSP-2") at Docket No. P-2012-2283641.

The proposed rate for Rate HT (High Tension Power) for August reflects a decrease of 2.55 cents/kWh compared to July'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
June 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,



Richard G. Webster, Jr. / RAS

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

For the Period August 1, 2013 through August 31, 2013

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Additional AEPS Costs (2)	Administrative Cost (3)
Aug-13	\$137,043	\$43,268	\$15,005

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

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh	Rate EP kWh
Aug-13	41,400,345	2,062,517	433,713	38,904,114	-

PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections
For the Period January 1, 2011 through April 30, 2013
and May 2013, June 2013 and July 2013

Month	Cumulative Addl AEPS Over/(Under) Balance at 2/28/13	Addl AEPS Monthly Over/(Under) Collection	Cumulative Over/(Under) Collection for Addl AEPS	Cumulative Over/(Under) Collection Incl Addl AEPS	Addl AEPS Monthly Prior Period O/U Revenue Incl in (19) Excl GRT
Jan-11	\$0	\$0	\$0	\$0	\$0
Feb-11	\$0	\$0	\$0	\$0	\$0
Mar-11	\$0	\$0	\$0	\$0	\$0
Apr-11	\$0	\$0	\$0	\$0	\$0
May-11	\$0	\$0	\$0	\$0	\$0
Jun-11	\$0	\$0	\$0	\$0	\$0
Jul-11	\$0	\$0	\$0	\$0	\$0
Aug-11	\$0	\$0	\$0	\$0	\$0
Sep-11	\$0	\$0	\$0	\$0	\$0
Oct-11	\$0	\$0	\$0	\$0	\$0
Nov-11	\$0	\$0	\$0	\$0	\$0
Dec-11	\$0	\$0	\$0	\$0	\$0
Jan-12	\$0	\$0	\$0	\$0	\$0
Feb-12	\$0	\$0	\$0	\$0	\$0
Mar-12	\$0	\$0	\$0	\$0	\$0
Apr-12	\$0	\$0	\$0	\$0	\$0
May-12	\$0	\$0	\$0	\$0	\$0
Jun-12	\$0	\$0	\$0	\$0	\$0
Jul-12	\$0	\$0	\$0	\$0	\$0
Aug-12	\$0	\$0	\$0	\$0	\$0
Sep-12	\$0	\$0	\$0	\$0	\$0
Oct-12	\$0	\$0	\$0	\$0	\$0
Nov-12	\$0	\$0	\$0	\$0	\$0
Dec-12	\$0	\$0	\$0	\$0	\$0
Jan-13	\$0	\$0	\$0	\$0	\$0
Feb-13	(\$152,798)	\$0	(\$152,798)	\$0	\$0
Mar-13	\$0	\$221,937	\$69,139	\$79,058	\$209,612
Apr-13	\$0	(\$117,806)	(\$48,667)	(\$133,657)	\$232,555
May-13				\$288,900	\$181,018
Jun-13					
Jul-13					

(18)=(10) from Attachment 1, Page 9
 (19)=(9) from Attachment 1, Page 9 starting Mar 2013
 (20)=(18) for Feb 2013, Cumulative from (18) and (19) for Mar 2013 onward
 (21) = (17) + (20)
 (22)=(7) from Attachment 1, page 9 Mar 2013 onward

**PECO GSA 4 (Hourly) Actual Interest Calculation
For the Period January 1, 2011 through April 30, 2013
and May 2013, June 2013 and July 2013**

Month	Cumulative Addl AEPS Interest Over/(Under) Balance at 2/28/13	Addl AEPS Monthly Current Interest	Addl AEPS Monthly Prior Period Interest Revenue Excl GRT	Addl AEPS Monthly Current Interest and Prior Period Interest Revenue Excl GRT	Cumulative Over/(Under) Interest for Addl AEPS	Cumulative Interest Over/(Under) Collection Incl Addl AEPS
Jan-11	\$0	\$0	\$0	\$0	\$0	\$0
Feb-11	\$0	\$0	\$0	\$0	\$0	\$0
Mar-11	\$0	\$0	\$0	\$0	\$0	\$0
Apr-11	\$0	\$0	\$0	\$0	\$0	\$0
May-11	\$0	\$0	\$0	\$0	\$0	\$0
Jun-11	\$0	\$0	\$0	\$0	\$0	\$0
Jul-11	\$0	\$0	\$0	\$0	\$0	\$0
Aug-11	\$0	\$0	\$0	\$0	\$0	\$0
Sep-11	\$0	\$0	\$0	\$0	\$0	\$0
Oct-11	\$0	\$0	\$0	\$0	\$0	\$0
Nov-11	\$0	\$0	\$0	\$0	\$0	\$0
Dec-11	\$0	\$0	\$0	\$0	\$0	\$0
Jan-12	\$0	\$0	\$0	\$0	\$0	\$0
Feb-12	\$0	\$0	\$0	\$0	\$0	\$0
Mar-12	\$0	\$0	\$0	\$0	\$0	\$0
Apr-12	\$0	\$0	\$0	\$0	\$0	\$0
May-12	\$0	\$0	\$0	\$0	\$0	\$0
Jun-12	\$0	\$0	\$0	\$0	\$0	\$0
Jul-12	\$0	\$0	\$0	\$0	\$0	\$0
Aug-12	\$0	\$0	\$0	\$0	\$0	\$0
Sep-12	\$0	\$0	\$0	\$0	\$0	\$0
Oct-12	\$0	\$0	\$0	\$0	\$0	\$0
Nov-12	\$0	\$0	\$0	\$0	\$0	\$0
Dec-12	\$0	\$0	\$0	\$0	\$0	\$0
Jan-13	\$0	\$0	\$0	\$0	\$0	\$0
Feb-13	(\$207)	\$0	\$0	\$0	\$0	\$0
Mar-13		\$277	\$4,564	\$4,841	(\$207)	\$42,159
Apr-13		(\$7,883)	\$5,063	(\$2,820)	\$4,634	\$36,623
May-13			\$3,941		\$1,814	\$61,869
Jun-13						
Jul-13						

(11)=(8) from Attachment 1, page 10
 (12)=(5) from Attachment 1, page 10 starting Mar 2013
 (13)=(7) from Attachment 1, page 10 Mar 2013 onward
 (14)=(12)+(13)
 (15)=(11) for Feb 2013, Cumulative from (11) and (14) for Mar 2013 onward
 (16)=(10)+(15)

PECO 2012 - 2013 AEPS
E-Factor Calculation

Procurement Class 4		Actual AEPS Costs (1)	Actual Default Sales (kWh) (2)	C-Factor Rate (3)	C-Factor Revenue (4) = (3) * (2)	C-Factor Over/(Under) Recovery (5) = (4) - (1)	E-Factor Rate (6)	E-Factor Revenue (7) = (6) * (2)	Total Collected Revenue (8) = (7) + (4)	Over/(Under) Recovery (9) = (8) - (1)	Cumulative Over/(Under) Recovery (10)	RCC Balance (11)
Balance												
Feb-12	\$	4,054	48,604,602	\$ 0.0001	\$ 5,042	\$ 989	\$ -	\$ 5,042	\$ 989	\$ (426,193)	\$	
Mar-12	\$	49	44,999,968	\$ 0.0001	\$ 4,178	\$ 4,129	\$ -	\$ 4,178	\$ 4,129	\$ (425,204)	\$	
Apr-12	\$	3,407	40,307,894	\$ 0.0001	\$ 3,594	\$ 187	\$ -	\$ 3,594	\$ 187	\$ (421,075)	\$	
May-12	\$	3,784	32,382,852	\$ 0.0001	\$ 3,266	\$ (518)	\$ -	\$ 3,266	\$ (518)	\$ (420,888)	\$	
Jun-12	\$	(47,336)	42,937,126	\$ 0.0004	\$ 15,197	\$ 62,533	\$ 0.0045	\$ 180,261	\$ 195,459	\$ (421,406)	\$	
Jul-12	\$	(36,770)	48,594,968	\$ 0.0004	\$ 18,025	\$ 54,795	\$ 0.0045	\$ 213,809	\$ 231,834	\$ (1,667,496)	\$	
Aug-12	\$	(29,515)	47,748,721	\$ 0.0004	\$ 17,807	\$ 47,321	\$ 0.0045	\$ 229,019	\$ 258,534	\$ (1,408,964)	\$	
Sep-12	\$	4,779	41,880,579	\$ 0.0004	\$ 15,617	\$ 10,838	\$ 0.0045	\$ 185,238	\$ 200,854	\$ (1,212,889)	\$	
Oct-12	\$	4,500	38,502,615	\$ 0.0004	\$ 14,362	\$ 9,862	\$ 0.0045	\$ 170,355	\$ 184,717	\$ (1,032,672)	\$	
Nov-12	\$	4,854	35,345,903	\$ 0.0004	\$ 13,182	\$ 8,328	\$ 0.0045	\$ 156,362	\$ 169,545	\$ (867,981)	\$	
Dec-12	\$	5,529	42,397,714	\$ 0.0004	\$ 15,813	\$ 10,284	\$ 0.0045	\$ 187,563	\$ 203,376	\$ (670,133)	\$	
Jan-13	\$	13,135	49,441,024	\$ 0.0004	\$ 18,440	\$ 5,305	\$ 0.0045	\$ 218,723	\$ 237,163	\$ (446,105)	\$	
Feb-13	\$	399,480	144,430,803	\$ 0.0004	\$ 53,865	\$ (345,615)	\$ 0.0045	\$ 638,922	\$ 692,787	\$ (152,798)	\$	
Mar-13	\$	5,348	47,381,589	\$ 0.0004	\$ 17,672	\$ 12,324	\$ 0.0045	\$ 209,612	\$ 227,284	\$ 69,139	\$	
Apr-13	\$	369,968	52,567,676	\$ 0.0004	\$ 19,606	\$ (350,362)	\$ 0.0045	\$ 232,555	\$ 252,161	\$ (117,806)	\$	
May-13	\$		41,564,555				\$ 0.0045	\$ 181,018			\$	

**PECO 2012 - 2013 AEPS
Interest Calculation**

Procurement Class 4

E-Factor Period	Actual Sales (kWh) (1)	C-Factor Over/(Under) Recovery (2)	Interest Rate (3)	Interest Time Factor (4)	Interest Owed/ (Interest Recouped) (5) = (2) * (3) * (4)	Interest Refund Rate (6)	Interest Refund (7) = (1) * (6)	Interest Refund (8) = (1) * (6)	Cummulative Interest Owed/ (Interest Recouped) (8) = (5) + (7) + Prev (8)
Balance									(47,542)
Feb-12	48,604,602	989	6%	22/12	\$ 109	\$ -	\$ -	\$ -	(47,433)
Mar-12	44,999,968	4,129	6%	21/12	\$ 434	\$ -	\$ -	\$ -	(47,000)
Apr-12	40,307,894	187	6%	20/12	\$ 19	\$ -	\$ -	\$ -	(46,981)
May-12	32,382,852	(518)	6%	19/12	\$ (49)	\$ -	\$ -	\$ -	(47,030)
Jun-12	42,937,126	62,533	6%	18/12	\$ 5,628	\$ 0.0001	\$ 3,925	\$ 3,925	(37,478)
Jul-12	48,594,968	54,795	6%	17/12	\$ 4,658	\$ 0.0001	\$ 4,655	\$ 4,655	(28,165)
Aug-12	47,748,721	47,321	6%	16/12	\$ 3,786	\$ 0.0001	\$ 4,598	\$ 4,598	(19,781)
Sep-12	41,880,579	10,838	6%	15/12	\$ 813	\$ 0.0001	\$ 4,033	\$ 4,033	(14,935)
Oct-12	38,502,615	9,862	6%	14/12	\$ 690	\$ 0.0001	\$ 3,709	\$ 3,709	(10,536)
Nov-12	35,345,903	8,328	6%	13/12	\$ 541	\$ 0.0001	\$ 3,404	\$ 3,404	(6,591)
Dec-12	42,397,714	10,284	6%	12/12	\$ 617	\$ 0.0001	\$ 4,083	\$ 4,083	(1,890)
Jan-13	49,441,024	5,305	6%	11/12	\$ 292	\$ 0.0001	\$ 4,762	\$ 4,762	3,164
Feb-13	144,430,803	(345,615)	6%	10/12	\$ (17,281)	\$ 0.0001	\$ 13,910	\$ 13,910	(207)
Mar-13	47,381,589	12,324	6%	4.5/12	\$ 277	\$ 0.0001	\$ 4,564	\$ 4,564	4,634
Apr-13	52,567,676	(350,362)	6%	4.5/12	\$ (7,883)	\$ 0.0001	\$ 5,063	\$ 5,063	1,814
May-13	41,564,555		6%	4.5/12	\$	\$ 0.0001	\$ 3,941	\$ 3,941	

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 June 14, 2013

Effective August 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- 3rd Revised Page No. 33A

Reflects monthly adjustment for Procurement Class 4 pursuant to Order at Docket No. P-2012-2283641.

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PECO Energy Company

Superseding Second Revised Page No. 33A

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

Applicability: Effective June 1, 2013 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 rates for GSA 4 Hourly shall be effective the first of each month. If the balance of over/(under) recovery gets too large due to billing lag, the Company can file a reconciliation that will mitigate the subsequent impact. 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

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

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 Independent Evaluator, 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.

Administrative Costs also includes any other costs incurred to implement retail market enhancements directed by the Commission in its Retail Market Investigation at Docket No. I-2011-2237952 that are not recovered from EGSS.

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 including the proceeds and costs from the exercise of Auction Revenue Rights shall be included in this component. Ancillary services shall be those included in the Supply Master Agreement as being the responsibility of the supplier.

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

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).

Auction Revenue Rights (ARR) = Allocated annually by PJM to Firm transmission customers, the ARR's allow a Company to select rights to specific transmission paths in order to avoid congestion charges

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. Monthly reconciliations shall be recovered over a one month period after the occurrence of a quarter.

Tariff Rate	GS	PD	HT	EP
Hourly Pricing Adder* (cents/kWh)	0.36	0.35	0.34	0.34

(D)

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

(D) Denotes Decrease