



An Exelon Company

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July 24, 2013

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

SUBJECT: Replacement Page to PECO Energy Company Tariff Electric No. 4, Supplement No. 74 Effective June 14, 2013 originally filed on April 15, 2013 – Docket No. P-2012-2283641

Dear Secretary Chiavetta:

On April 15, 2013, PECO Energy Company issued Supplement No. 74 to PECO's Electric Tariff No. 4 — to become effective June 1, 2013. On May 28, 2013, PECO Energy Company issued Supplement No. 79 which voluntarily postponed at the Commission's request Supplement No. 74 to June 14, 2013. Accordingly, this letter transmits for filing with the Commission one replacement page, Page Number 31 which has now been updated to include the current pricing for the Generation Supply Adjustment for Procurement Classes 1, 2 3 which became effective on June 1, 2013.

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

Copies to: C. Walker-Davis, Director, Office of Special Assistants
P. Diskin, Director, Bureau of Technical Utility Services
D. P. Hosler, Director, Bureau of Audits
J. E. Simms, Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick

PECO Energy Company

Superseding Fifteenth Revised Page No. 31

**GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASSES 1,2,3
 LOADS UP TO 500KW**

Applicability: Effective June 1, 2013 this adjustment shall apply to all customers taking default service from the Company with demands up to 500 kW. The rate contained herein shall be calculated to the nearest one hundredth of a cent. The GSA shall contain the cost of generation supply for each tariff rate.

Pricing: The rates below shall include the cost of procuring power to serve the default service customers including the cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") plus associated administrative expenses incurred in acquiring power and gaining regulatory approval of any procurement strategy and plan. The pricing for default service will represent the estimate of the cost to serve the specific tariff rate for the next quarterly period beginning with the three months ended August 31, 2013. The rates in this tariff shall be updated quarterly on June 1, September 1, December 1 and March 1 commencing June 1, 2013. If the balance of over/(under) recovery gets too large, the Company can file a reconciliation that will mitigate the subsequent impact. The generation service charge shall be calculated using the following formula:

GSA(n) = (C-E+A)/S*1/(1-T)* (1-ALL)/(1-LL) +AEPS/S*1/(1 - T) + WC where;

C= The sum of the amounts paid to the full requirements suppliers providing the power for the quarterly period, the spot market purchases for the quarterly period, plus the cost of any other energy acquired for the quarterly period. Cost shall include energy, capacity and ancillary services, distribution line losses, cost of complying with the Alternative Energy Portfolio Standards, and any other load serving entity charges other than network transmission service and costs assigned under the Regional transmission Expansion Plan. Ancillary services shall include any allocation by PJM to PECO default service associated with the failure of a PJM member to pay its bill from PJM as well as the load serving entity charges listed in the Supply Master Agreement Exhibit D as the responsibility of the supplier. This component shall include the proceeds and costs from the exercise of Auction Revenue Rights granted to PECO by PJM.

AEPS = The projected total cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") not included in the C component above for the quarterly period for each procurement class. Costs include the amount paid for Alternative Energy and/or Alternative Energy Credits ("AEC's") purchased for compliance with the Act, the cost of administering and conducting any procurement of Alternative Energy and/or AEC's, payments to the AEC program administrator for its costs of administering an alternative energy credits program, payments to a third party for its costs in operating an AEC registry, any charge levied by PECO's regional transmission operator to ensure that alternative energy sources are reliable, a credit for the sale of any AEC's sold during the calculation period, and the cost of Alternative Compliance Payments that are deemed recoverable by the Commission, plus any other direct or indirect cost of acquiring Alternative Energy and/or AEC's and complying with the AEPS statute.

E = experienced over or under-collection calculated under the reconciliation provision of the tariff to be effective during the same period as the GSA.

A = Administrative Cost - This includes the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement plan, legal fees incurred gaining approval of the plan and any other costs associated with designing and implementing a procurement plan including the cost of the pricing forecast necessary for estimating cost recoverable under this tariff. Also included in this component shall be the cost to implement real time pricing or other time sensitive pricing such as dynamic pricing that is required of the Company or is approved in its Act 129 filing. Administrative Costs also include: (1) fifty percent of the implementation and ongoing costs of the Standard Offer Program approved by the Commission at Docket No. P-2012-2283641 that have not been otherwise recovered through fees paid by EGSs participating in the program; and (2) 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 otherwise recovered from EGSs. Costs for the Standard Offer Program shall only be recovered from Procurement Classes 1 and 2. (C)

S = Estimated sales for the period the rate is in effect for the classes to which the rate is applicable.

T = The currently effective gross receipts tax rate.

n = The procurement class for which the GSA is being calculated.

ALL = average line losses for the procurement class.

LL = line losses for the specific rate class provided in the Company's Electric Generation Supplier Coordination Tariff rule 6.6.

WC = 0.04¢/kWh to represent the cash working capital for power purchases.

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

In general the line loss adjustment is applicable to Procurement Class 2 and 3 only as those classes contain rate classes with three different line loss factors. Current charges:

Rate		GSA Price
R	GSA(1)	\$0.0786
RH	GSA(1)	\$0.0786
GS	GSA(2)	\$0.0788
GS	GSA(3)	\$0.0802

(C) Denotes Change