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PECO  
2301 Market Street, S15  
Philadelphia, PA 19103

August 16, 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. 84  
Effective October 1, 2013, Docket No. P-2012-2283641

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission Supplement No. 84 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 October 1, 2013 through October 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 October reflects an increase of 1.50 cents/kWh compared to September'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  
August 16, 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  
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

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: October 1, 2013 through October 31, 2013  
cents/kWh

	Amount	Rate GS			Rate PD			Rate HT			Rate EP		
		GSA Rate w/o GRT	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o 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/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	
<b>AS Ancillary Services and Alternative Energy Portfolio Standards Factor</b>													
-Ancillary Service and AEPS (a)	\$ 126,947 page 2	0.33	0.35	0.37	0.34	0.36	0.33	0.33	0.33	0.33	0.33	0.33	
-Additional AEPS Cost	\$ 39,002 page 2	0.10	0.10	0.11	0.10	0.11	0.10	0.10	0.10	0.10	0.10	0.11	
<b>Total Ancillary Service Cost and Alternative Energy Portfolio Standards Factor</b>	\$ 165,949	0.43	0.45	0.48	0.44	0.47	0.43	0.43	0.43	0.43	0.43	0.46	
<b>AC Administrative Cost Factor</b>													
-Administrative Cost	\$ 18,946 page 2	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>	\$ 18,946	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 Jun 2013	\$ (1,323,181) page 5	(3.45)	(3.45)	(3.67)	(3.45)	(3.67)	(3.45)	(3.45)	(3.45)	(3.45)	(3.45)	(3.67)	
-Net Interest Jan 2011 to Jun 2013	\$ 317,805 page 7	0.83	0.83	0.88	0.83	0.88	0.83	0.83	0.83	0.83	0.83	0.88	
-Prior Period Over/Under Collection Revenue, Jul 2013 to Sep 2013	\$ 947,471 page 5	2.47	2.47	2.62	2.47	2.62	2.47	2.47	2.47	2.47	2.47	2.62	
-Prior Period Interest Revenue, Jul 2013 to Sep 2013	\$ (323,665) page 7	(0.84)	(0.84)	(0.89)	(0.84)	(0.89)	(0.84)	(0.84)	(0.84)	(0.84)	(0.84)	(0.89)	
<b>Total E Factor Including Interest</b>	\$ (381,570)	(0.99)	(0.99)	(1.06)	(0.99)	(1.06)	(0.99)	(0.99)	(0.99)	(0.99)	(0.99)	(1.06)	
<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	
<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	
<b>Total GSA Rate (AS + AC + E + WC)</b>		1.51	1.53	1.63	1.52	1.62	1.51	1.51	1.51	1.51	1.51	1.61	
<b>S Sales for Application Period in kWh</b>	38,356,469 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 October 1, 2013 through October 31, 2013**

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Additional AEPS Costs (2)	Administrative Cost (3)
Oct-13	\$126,947	\$39,002	\$18,946

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

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh	Rate EP kWh
Oct-13	38,356,469	1,746,698	385,310	36,224,460	-





PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections  
For the Period January 1, 2011 through June 30, 2013  
and July 2013, August 2013 and September 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)	\$79,058	\$0
Mar-13	\$0	\$221,937	\$69,139	(\$133,657)	\$209,612
Apr-13	\$0	(\$117,806)	(\$48,667)	\$288,900	\$232,555
May-13	\$0	\$196,251	\$147,584	(\$39,332)	\$181,018

(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 June 30, 2013  
and July 2013, August 2013 and September 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	\$0	\$277	\$4,564	\$4,841	(\$207)	\$42,159
Apr-13	\$0	(\$7,883)	\$5,063	(\$2,820)	\$4,634	\$36,623
May-13	\$0	\$343	\$3,941	\$4,284	\$1,814	\$61,869
					\$6,098	\$341,930

(11)=(8) from Attachment 1, page 10

(12)=(6) 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 AEPS  
E-Factor Calculation

Procurement Class 4		Actual	Actual Default	C-Factor	C-Factor	C-Factor	C-Factor	E-Factor	E-Factor	Total Collected	Over/(Under)	Cumulative
E-Factor	Actual	Sales	Rate	Revenue	Rate	Revenue	Over/(Under)	Rate	Revenue	Revenue	Recovery	Over/(Under)
Period	AEPS	(kWh)	(1)	(2)	(3)	(4) = (3) * (2)	(5) = (4) - (1)	(6)	(7) = (6) * (2)	(8) = (7) + (4)	(9) = (8) - (1)	(10)
Balance	Costs											Recovery
												Balance
												(11)
Feb-12	\$ 4,054	48,604,602	\$0.0001	\$ 5,042	-	\$ 5,042	989	-	\$ 5,042	\$ 5,042	\$ 989	\$(426,193)
Mar-12	\$ 49	44,999,968	\$0.0001	\$ 4,178	-	\$ 4,178	4,129	-	\$ 4,178	\$ 4,178	\$ 4,129	\$(425,204)
Apr-12	\$ 3,407	40,307,894	\$0.0001	\$ 3,594	-	\$ 3,594	187	-	\$ 3,594	\$ 3,594	\$ 187	\$(421,075)
May-12	\$ 3,784	32,382,852	\$0.0001	\$ 3,266	-	\$ 3,266	(518)	-	\$ 3,266	\$ 3,266	\$ (518)	\$(420,888)
Jun-12	\$ (47,336)	42,937,126	\$0.0004	\$ 15,197	\$ 0.0045	\$ 180,261	62,533	\$ 0.0045	\$ 180,261	\$ 195,459	\$ 242,795	\$(421,406)
Jul-12	\$ (36,770)	48,594,968	\$0.0004	\$ 18,025	\$ 0.0045	\$ 213,809	54,795	\$ 0.0045	\$ 213,809	\$ 231,834	\$ 268,605	\$(1,936,103)
Aug-12	\$ (29,515)	47,748,721	\$0.0004	\$ 17,807	\$ 0.0045	\$ 211,213	47,321	\$ 0.0045	\$ 211,213	\$ 229,019	\$ 258,534	\$(1,667,498)
Sep-12	\$ 4,779	41,880,579	\$0.0004	\$ 15,617	\$ 0.0045	\$ 185,238	10,838	\$ 0.0045	\$ 185,238	\$ 200,854	\$ 196,075	\$(1,212,889)
Oct-12	\$ 4,500	38,502,615	\$0.0004	\$ 14,362	\$ 0.0045	\$ 170,355	9,862	\$ 0.0045	\$ 170,355	\$ 184,717	\$ 180,217	\$(1,032,672)
Nov-12	\$ 4,854	35,345,903	\$0.0004	\$ 13,182	\$ 0.0045	\$ 156,362	8,328	\$ 0.0045	\$ 156,362	\$ 169,545	\$ 164,691	\$(867,981)
Dec-12	\$ 5,529	42,397,714	\$0.0004	\$ 15,813	\$ 0.0045	\$ 187,563	10,284	\$ 0.0045	\$ 187,563	\$ 203,376	\$ 197,848	\$(670,133)
Jan-13	\$ 13,135	49,441,024	\$0.0004	\$ 18,440	\$ 0.0045	\$ 218,723	5,305	\$ 0.0045	\$ 218,723	\$ 237,163	\$ 224,028	\$(446,105)
Feb-13	\$ 399,480	144,430,803	\$0.0004	\$ 53,865	\$ 0.0045	\$ 638,922	(345,615)	\$ 0.0045	\$ 638,922	\$ 692,787	\$ 293,307	\$(152,798)
Mar-13	\$ 5,348	47,381,589	\$0.0004	\$ 17,672	\$ 0.0045	\$ 209,612	12,324	\$ 0.0045	\$ 209,612	\$ 227,284	\$ 221,937	69,139
Apr-13	\$ 369,968	52,567,676	\$0.0004	\$ 19,606	\$ 0.0045	\$ 232,555	(350,362)	\$ 0.0045	\$ 232,555	\$ 252,161	\$(117,806)	\$(48,668)
May-13	\$ 27	41,564,555	\$0.0004	\$ 15,261	\$ 0.0045	\$ 181,018	15,233	\$ 0.0045	\$ 181,018	\$ 196,278	\$ 196,251	147,583

**PECO 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)	Cummulative Interest Owed/ (Interest Recouped) (8) = (5) + (7) + Prev (8)
Balance								<b>(47,542)</b>
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	(37,478)
Jul-12	48,594,968 \$	54,795	6%	17/12	\$ 4,658	\$ 0.0001	\$ 4,655	(28,165)
Aug-12	47,748,721 \$	47,321	6%	16/12	\$ 3,786	\$ 0.0001	\$ 4,598	(19,781)
Sep-12	41,880,579 \$	10,838	6%	15/12	\$ 813	\$ 0.0001	\$ 4,033	(14,935)
Oct-12	38,502,615 \$	9,862	6%	14/12	\$ 690	\$ 0.0001	\$ 3,709	(10,536)
Nov-12	35,345,903 \$	8,328	6%	13/12	\$ 541	\$ 0.0001	\$ 3,404	(6,591)
Dec-12	42,397,714 \$	10,284	6%	12/12	\$ 617	\$ 0.0001	\$ 4,083	(1,890)
Jan-13	49,441,024 \$	5,305	6%	11/12	\$ 292	\$ 0.0001	\$ 4,762	3,164
Feb-13	144,430,803 \$	(345,615)	6%	10/12	\$ (17,281)	\$ 0.0001	\$ 13,910	(207)
Mar-13	47,381,589 \$	12,324	6%	4.5/12	\$ 277	\$ 0.0001	\$ 4,564	4,634
Apr-13	52,567,676 \$	(350,362)	6%	4.5/12	\$ (7,883)	\$ 0.0001	\$ 5,063	1,814
May-13	41,564,555 \$	15,233	6%	4.5/12	\$ 343	\$ 0.0001	\$ 3,941	6,097

**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 August 16, 2013

Effective October 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 Class 4 Loads Greater than 500 kW – 5th Revised Page No. 33A

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

TABLE OF CONTENTS

List of Communities Served .....	4
How to Use Loose-Leaf Tariff.....	5
Definition of Terms and Explanation of Abbreviations .....	6 <sup>2</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 <sup>1</sup>
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>5</sup>
18. Payment Terms & Termination of Service.....	25 <sup>5</sup>
19. Unfulfilled Contracts .....	25 <sup>4</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>	
Generation Supply Adjustment For Procurement Class 1, 2, 3.....	31 <sup>16</sup> ,32 <sup>14</sup>
Generation Supply Adjustment For Procurement Class 1,2, 3 – Transition Period.....	31A <sup>2</sup> 32A <sup>2</sup>
Generation Supply Adjustment For Procurement Class 4 Loads Greater Than 500 kW - RATES THRU 5/31/2013.....	33 <sup>32</sup>
Generation Supply Adjustment For Procurement Class 4 Loads Greater Than 500 kW .....	33A <sup>5</sup>
Reconciliation.....	34 <sup>6</sup> 34A
Reconciliation Transition Period.....	34B <sup>1</sup>
Provision for Surcharge Recovery of Alternative Energy Portfolio Standard Costs.....	35 <sup>5</sup> , 36 <sup>4</sup>
Provision for Surcharge Recovery of Alternative Energy Portfolio Standard costs – Transition Period.....	35A <sup>1</sup>
<b>NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA) .....</b>	
Provisions for Recovery of UNIVERSAL SERVICE FUND CHARGE (USFC) .....	37 <sup>1</sup>
Provisions for Recovery of SUPPLEMENTAL UNIVERSAL SERVICE FUND COSTS.....	38 <sup>4</sup>
PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS.....	39 <sup>1</sup>
<b>TRANSMISSION SERVICE CHARGE.....</b>	
SMART METER COST RECOVERY SURCHARGE.....	40A <sup>5</sup>
PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS (EEPC).....	40B <sup>5</sup>
Provision for the Tax Accounting Repair Credit (TARC) .....	40C <sup>3</sup>
.....	40D <sup>1</sup>
<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>9</sup> ,48 <sup>3</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>3</sup>
Auxiliary Service Rider .....	66 <sup>1</sup> ,67 <sup>2</sup> ,68 <sup>1</sup>
CAP Rider - Customer Assistance Program .....	69 <sup>22</sup> , 70 <sup>6</sup>
Casualty Rider.....	71 <sup>1</sup>
Commercial/Industrial Direct Load Control Program Rider.....	71A, 71B
Construction Rider .....	72

**PECO Energy Company**

**Superseding Fourth 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<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 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<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).

**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

**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. 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>1.63</b>	<b>1.62</b>	<b>1.61</b>	<b>1.61</b>

(I)

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