

**Richard G. Webster, Jr.**  
Vice President  
Regulatory Policy and Strategy

Telephone 215.841.4000 ext 5777  
Fax 215.841.6208  
www.peco.com  
dick.webster@peco-energy.com

PECO  
2301 Market Street, 515  
Philadelphia, PA 19103

September 13, 2013

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SEP 13 2013

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S OFFICE

**SUBJECT: PECO Energy Company Implementation of Smart Meter Cost Recovery  
Surcharge Mechanism at Docket No. M-2009-2123944**

Dear Secretary Chiavetta:

PECO Energy is permitted to file quarterly adjustments to the Smart Meter Cost Recovery Surcharge Mechanism, which are allowed to go into effect on 15 days notice. As provided for in the Commission's Final Order at Docket No. M-2009-2123944 the rate will only be updated if the rate changes by more than 5%. PECO has recalculated the rate and determined that it would change rates by less than 5%. Therefore, the Company will not be changing its Smart Meter Cost Recovery Surcharge on October 1, 2013.

This letter transmits for filing with the Commission PECO Energy's quarterly update including:

Exhibit 1 – Smart Meter Projected Costs for October 1, 2013 to December 31, 2013

Please direct any questions regarding the above to Richard A. Schlesinger at 215-841-5771.

Sincerely,



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, Office of Trial Staff  
Office of Consumer Advocate  
Office of Small Business Advocate  
McNees, Wallace & Nurick

**Exhibit 1**  
**PECO Energy Smart Meter Project**  
**Projected Costs for October 1, 2013 to December 31, 2013**

**Smart Meter Cost Recovery (\$M)**

Line	Forecast 4Q 2013			
	Oct	Nov	Dec	
1	Period 3 (7/1/11 to 6/30/12) Overcollection	\$ (0.78)	\$ (0.78)	\$ (0.78)
2	2013 O&M to be Recovered	2.70	2.44	5.39
3	2013 Depreciation	1.73	1.83	2.00
4	2013 Capital Revenue Requirement	1.61	1.76	1.97
5	2013 Benefits/Avoided Costs	(0.56)	(0.66)	(0.73)
6	<b>Total Revenue Requirement</b>	<b>\$ 4.69</b>	<b>\$ 4.58</b>	<b>\$ 7.85</b>
7	<b>Quarterly Revenue Requirement (\$M)</b>	<b>\$ 17.13</b>		
<b>Quarterly Revenue Requirement by class:</b>				
8	Res	\$ 15.50		
9	SCI	\$ 1.59		
10	LCI	\$ 0.04		
<b>Estimated Monthly Rate:</b>				
11	Res (¢/kWh)	0.53		
12	SCI (\$/customer)	\$ 3.76		
13	LCI (\$/customer)	\$ 4.14		

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**Exhibit 1**  
**PECO Energy Smart Meter Project**  
**Projected Costs for October 1, 2013 to December 31, 2013**

<u>Line</u>		<u>In effect</u>	<u>In effect</u>	<u>In effect</u>	<u>Forecasted</u>	
	<b>Estimated Monthly Rate:</b>	<b>1Q 2013</b>	<b>2Q 2013</b>	<b>3Q 2013</b>	<b>4Q 2013</b>	
1	Res (¢/kWh)	0.31	0.31	0.31	0.53	
2	SCI (\$/customer)	\$ 2.27	\$ 2.27	\$ 2.27	\$ 3.76	
3	LCI (\$/customer)	\$ 2.65	\$ 2.65	\$ 2.65	\$ 4.14	
						%
	<b>Average Customer monthly bill with surcharge:</b>					<b>change</b>
4	Res (500 kWh usage)	\$81.49	\$86.01	\$80.56	\$ 81.69	0.0140
5	SCI (10,000 kWh usage)	\$1,121.77	\$1,277.69	\$991.86	\$ 993.35	0.0015
6	LCI (200,000 kWh usage)	\$18,642.01	\$14,181.99	\$17,973.94	\$ 17,975.43	0.0001

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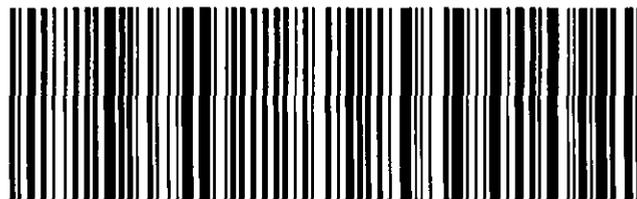
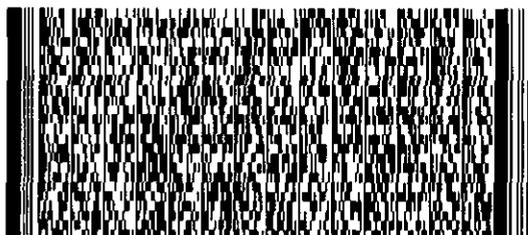
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