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An Exelon Company

PECO
2301 Market Street, 515
Philadelphia, PA 19103

October 11, 2013

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

**Subject: Docket No. M-2013-2381533
Tariff Electric - Universal Service Fund Charge – Section 1307 Mechanism
Final Annual Rate Adjustment for 2013**

Dear Secretary Chiavetta:

Enclosed for filing with the Commission is PECO's final annual rate adjustment of the Electric Universal Service Fund Charge ("USFC") for 2013. This filing is made in accordance with the USFC provisions of Paragraph 33 and 34 of the Joint Petition for Full Settlement (R00973953) as modified by Paragraph 35 of the PECO-Unicom Merger Settlement (Docket No. A-110550F0147) with the Commission's Order at Docket No's. R-00038535 & C-20031543 and consistent with the settlement in PECO's base rate case at Docket No. R-2010-2161575.

This filing, which includes actual data through September, supports a total USFC credit rate of \$0.0005/kWh. This credit will reduce the Variable Distribution Charge for rates R & RH effective January 1, 2014 through December 31, 2014. For a typical residential customer using 500 kWh per month, the new USFC rate will result in a \$0.90 decrease (or -1.07%) to the monthly bill.

This filing also reflects the final incremental LIURP related expenditures of \$2.5 million in 2013, approved in the Joint Petition of Settlement at Docket No. P-2008-2062739.

This filing includes the following Exhibits:

- Exhibit 1 – Proposed USFC Tariff Sheets indicating the rate for 2014
- Exhibit 2 – USFC Calculation
- Exhibit 3 – Rate R Bill Comparison

Rosemary Chiavetta, Secretary
October 11, 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 (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

w/enclosures

cc: C. Walker-Davis, Esquire, 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 and Enforcement
Office of Consumer Advocate
McNees, Wallace & Nurick

EXHIBIT 1

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street
Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued October 11, 2013

Effective January 1, 2014

**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

Provision for Recovery of Universal Service Fund Charge - 5th Revised Page No. 38

Reflects annual update to USFC.

Rate R –Residence Service – 13th Revised Page No. 41

Variable Distribution Charge decreased to reflect annual update to USFC.

Rate RH – Residential Heating Service – 13th Revised Page No. 43

Variable Distribution Charge decreased to reflect annual update to USFC.

TABLE OF CONTENTS

List of Communities Served	4
How to Use Loose-Leaf Tariff.....	5
Definition of Terms and Explanation of Abbreviations	6 ¹ , 7, 8 ² , 9
RULES AND REGULATIONS:	
1. The Tariff	10 ²
2. Service Limitations.....	10 ²
3. Customer's Installation	11 ¹
4. Application for Service	12
5. Credit.....	13 ²
6. Private-Property Construction	14 ²
7. Extensions.....	15 ¹ , 16
8. Rights-of-Way.....	17
9. Introduction of Service	18 ¹
10. Company Equipment	18 ¹
11. Tariff and Contract Options	19 ¹
12. Service Continuity.....	20
13. Customer's Use of Service.....	21
14. Metering	21
15. Demand Determination	22 ²
16. Meter Tests.....	23
17. Billing and Standard Payment Options	24 ⁴
18. Payment Terms & Termination of Service.....	25 ⁴
19. Unfulfilled Contracts	25 ⁴
20. Cancellation by Customer	26 ¹
21. General.....	27 ²
22. Rules For Designation of Procurement Class	27 ²
23. EGS Switching.....	28
24. Load Data Exchange	29
STATE TAX ADJUSTMENT CLAUSE	30 ³
Generation Supply Adjustment For Procurement Class 1, 2, 3.....	31 ¹¹ , 32 ¹⁰
Generation Supply Adjustment For Procurement Class 4.....	33 ²⁵
Reconciliation.....	34 ²
Provision for Surcharge Recovery of Alternative Energy Portfolio Standard Costs.....	35 ⁵ , 36 ²
NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA)	37
Provisions for Recovery of UNIVERSAL SERVICE FUND CHARGE (USFC).....	38 ⁵
Provisions for Recovery of SUPPLEMENTAL UNIVERSAL SERVICE FUND COSTS	39 ¹
PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS	40 ³
TRANSMISSION SERVICE CHARGE	40A ⁴
SMART METER COST RECOVERY SURCHARGE	40B ³
PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS (EEPC)	40C ²
Provision for the Tax Accounting Repair Credit (TARC)	40D
RATES:	
Rate R Residence Service	41 ¹³
Rate R-H Residential Heating Service	43 ¹³
Rate RS-2 Net Metering.....	44 ¹ , 45 ²
Rate OP Off-Peak Service	46 ³
Rate GS General Service.....	47 ⁶ , 48 ² , 49 ¹
Rate PD Primary-Distribution Power	50 ⁵
Rate HT High-Tension Power	51 ⁶
Rate POL Private Outdoor Lighting	52 ² , 53
Rate SL-S Street Lighting-Suburban Counties.....	57 ² , 58
Rate SL-E Street Lighting Customer-Owned Facilities.....	59 ³ , 60
Rate TLCL Traffic Lighting Constant Load Service	61 ²
Rate BLI Borderline Interchange Service.....	62
Rate EP Electric Propulsion	63 ³
Rate AL Alley Lighting in City of Philadelphia	64 ²
RIDERS:	
Applicability Index of Riders	65 ²
Auxiliary Service Rider.....	66 ¹ , 67 ¹ , 68 ¹
CAP Rider - Customer Assistance Program.....	69 ¹⁸ , 70
Casualty Rider.....	71 ¹
Commercial/Industrial Direct Load Control Program Rider	71A, 71B
Construction Rider.....	72

PROVISIONS FOR RECOVERY OF UNIVERSAL SERVICE FUND CHARGE (USFC)

Variable Distribution Service Charge rates for electric service in Residential Rate Schedule R and RH of this Tariff shall include (\$0.0005) per kWh for recovery of Universal Service Fund Cost (USFC), calculated in the manner set forth below pursuant to Section 2804 (8) of the Competition Act. The USFC rate for electric service shall be increased or decreased annually, to reflect changes in the level of Universal Service Fund costs, net of base rate recoveries, in the manner described below: (D)

COMPUTATION OF USFC.

The USFC per kWh (\$0.0000), shall be computed to the nearest one-hundred cent (0.01¢) in accordance with the formula set forth below:

$$\text{USFC} = \frac{(C+L-E-I)}{(S)}$$

The USFC, so computed, shall be included in distribution rates charged to Customers for service pursuant to the rate schedules identified above. The amount of USFC, per kWh, will vary, if appropriate, based upon annual filings by the Company.

In computing the USFC, per kWh, pursuant to the formula above, the following definitions shall apply:

Reconcilable Customer Assistance Program (CAP) Costs – The difference between discounts provided to CAP customers (CAP revenue shortfalls) recovered through base rates and total CAP discounts, net of a 27% offset factor.

USFC – Universal Service Fund Charge determined to the nearest one-hundredth cent (0.01¢) to be included in the rate for each kWh of Variable Distribution Service Charge calculated under Rate Schedules R and R-H to recover Reconcilable CAP Costs plus certain LIURP related expenditures.

C - Cost in dollars of the Reconcilable CAP Costs for the projected period.

L– Incremental LIURP related expenditures of \$1 Million in 2010, \$1.5 million in 2011, \$2.0 Million in 2012, and \$2.5 Million in 2013 as approved in the Joint Petition of Settlement of Docket No. P-2008-2062739.

E - the net (overcollection) or undercollection of Universal Service Fund Charges. The net overcollection or undercollection shall be determined for the most recent period, beginning with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. Included in the "E" factor will be Reconcilable CAP Costs, and LIURP related expenditures.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous USFC.

I – Interest on any over or under recovery balance. Interest shall be computed monthly at a 6% annual simple interest rate from the month that the overcollection or undercollection occurs to the mid-point of the recovery period.

S - projected kWh of electric service to be billed under Rate R and Rate RH (exclusive of CAP Rider) during the projected period when rates will be in effect.

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECONCILIATION.

The Company's annual USFC filing and its annual reconciliation statement shall be submitted to the Commission 120 days prior to new rates being effective January 1 of each year, or at such time as the Commission may prescribe. The USFC mechanism is subject to annual audit review by the Bureau of Audits.

(D) Denotes Decrease

RATE R RESIDENCE SERVICE

AVAILABILITY.

Single-phase service in the entire territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for the domestic requirements of its members when such service is supplied through one meter. Service is also available for related farm purposes when such service is supplied through one meter in conjunction with the farmhouse domestic requirements.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date must be individually metered for their basic service supply. Centrally supplied master metered heating, cooling or water heating service may be provided if such supply will result in energy conservation.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost-sharing basis; (c) the premises owned by a church, and primarily designated or set aside for, and actually occupied and used as, the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and the resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; (c) a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37-1/2 amperes at 240 volts.

CURRENT CHARACTERISTICS. Standard single-phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$7.09

FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS: \$1.75

VARIABLE DISTRIBUTION SERVICE CHARGE:

All kWhs 5.92¢ per kWh

(D)

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: per the Transmission Service Charge.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE, Transmission Service Charge, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

PAYMENT TERMS. Standard.

(D) Denotes Decrease

RATE R-H RESIDENTIAL HEATING SERVICE

AVAILABILITY.

Single-phase service to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for domestic requirements when such service is provided through one meter and where the dwelling is heated by specified types of electric space heating systems. The systems eligible for this rate are (a) permanently connected electric resistance heaters where such heaters supply all of the heating requirements of the dwelling, (b) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by electric resistance heaters, and (c) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by non-electric energy sources and/or by electric energy sources served on Rate O-P Off-Peak Service. All space heating installations must meet Company requirements. This rate schedule is not available for commercial, institutional or industrial establishments.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service provided hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service provided by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date, must be individually metered.

CURRENT CHARACTERISTICS. Standard single-phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$7.09

FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS: \$1.75

VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS. (June through September)

5.92¢ per kWh for all kWh.

(D)

WINTER MONTHS. (October through May)

3.98¢ per kWh for all kWh

(D)

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: per the Transmission Service Charge

MINIMUM CHARGE. The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

COMBINED RESIDENTIAL AND COMMERCIAL SERVICE. Where a portion of the service provided is used for commercial purposes, the appropriate general service rate is applicable to all service; or, at the option of the customer, the wiring may be so arranged that the residential service may be separately metered and this rate is then applicable to the residential service only.

PAYMENT TERMS. Standard.

(D) Denotes Decrease

EXHIBIT 2

**PECO - Electric
Calculation of USFC Rate Effective January 1, 2014**

	<u>Amount</u>	<u>\$/KWH</u>	
(1) C = Projected Recoverable CAP Costs	\$ (23,513)	(\$0.00000)	p. 2 of 4
(3) E = Experienced & Estimated Net Over/(Under)			
a. Over/(Under)	\$ 5,756,087	\$0.00048	p. 3 of 4
b. Interest	\$ 150,360	\$0.00001	p. 4 of 4
	<u>\$ 5,906,447</u>	<u>\$0.00049</u>	
(4) Net Recoverable (C - E)	\$ (5,929,960)	(\$0.00049)	
(5) S = Projected Rate R, RH Sales for Computation Period	12,010,690,702		
(6) USFC: (4)/(5)	(\$0.0005)		

PECO - 2014 USFC Electric C-Factor Calculation

C-Factor Month	Estimated CAP	Estimated	Estimated	Shortfall	Shortfall	Shortfall
	Discounts (Shortfall)	R/RH Sales (a) (kWh)	R/RH Sales (a) (kWh)	in Base Rates (b)	o/(u) Base Recovery	o/(u) Base Recovery @ 0.73 (b)
	(1)	(2)	(3) = (2) * \$0.0068	(4) = (1) - (3)	(5) = (4) * 0.73	
Jan-14	\$ 6,944,420	1,253,987,324	\$ 8,527,114	\$ (1,582,694)	\$ (1,155,366)	
Feb-14	\$ 6,659,931	1,081,557,585	\$ 7,354,592	\$ (694,661)	\$ (507,102)	
Mar-14	\$ 6,324,054	923,619,442	\$ 6,280,612	\$ 43,442	\$ 31,713	
Apr-14	\$ 6,190,834	793,794,186	\$ 5,397,800	\$ 793,034	\$ 578,914	
May-14	\$ 5,870,316	709,078,231	\$ 4,821,732	\$ 1,048,584	\$ 765,466	
Jun-14	\$ 6,809,703	958,673,485	\$ 6,518,980	\$ 290,723	\$ 212,228	
Jul-14	\$ 7,642,269	1,315,844,349	\$ 8,947,742	\$ (1,305,473)	\$ (952,995)	
Aug-14	\$ 7,700,542	1,325,801,002	\$ 9,015,447	\$ (1,314,904)	\$ (959,880)	
Sep-14	\$ 7,359,493	1,092,194,697	\$ 7,426,924	\$ (67,431)	\$ (49,225)	
Oct-14	\$ 6,610,364	799,657,796	\$ 5,437,673	\$ 1,172,691	\$ 856,064	
Nov-14	\$ 6,495,594	775,017,385	\$ 5,270,118	\$ 1,225,476	\$ 894,597	
Dec-14	\$ 7,032,967	981,465,220	\$ 6,673,963	\$ 359,003	\$ 262,072	
	\$ 81,640,487	12,010,690,702	\$ 81,672,697	\$ (32,210)	\$ (23,513)	

Estimated Recovery C-Factor \$ (23,513)

(a) Non-CAP kWh.
 (b) Per settlement factor approved at Docket No. R-2010-2161575.

PECO - 2013 USFC Electric E-Factor Calculation

E-Factor Period	Total CAP Discounts (Shortfall) (1)	Billed R/RH Sales (b) (kWh) (2)	CAP Revenues Recovered In Base Rates (c) (3) = (2) * \$0.0068 kWh	Base Recovery o(u) Actual (c) (4) = (3) - (1)	Base Recovery o(u) Actual (c) (5) = (4) * 0.73	C-Factor Revenue (6) = (2) * \$0.0004 (7) = (2) * \$0.0002	L-Expenditures (8)	L-Factor Recovery o(u) (9) = (7) - (8)	L-Factor Revenue (10) = (5) + (6) + (9)	E-Factor Rate (11)	E-Factor Revenue (12) = (2) * (11)	Total C & L Factor o(u) Recovery (10) = (5) + (6) + (9)	CAP Revenues (E-L+C) Recovery o(u) (13) = (10) + (12)	Cumulative Recovery o(u) (14)
Balance	\$ 7,200,642	1,172,070,659	\$ 7,970,080	\$ 769,439	\$ 561,680	\$ (468,828)	\$ 1,988	\$ 232,416	\$ 325,278	\$ -0.0003	\$ (951,621)	\$ (325,278)	\$ (26,344)	\$ (3,003,473)
Jan-12	\$ 6,703,608	889,237,341	\$ 6,726,814	\$ 23,206	\$ 16,940	\$ (395,695)	\$ 167,179	\$ 30,668	\$ (348,066)	\$ -0.0003	\$ (296,771)	\$ (348,066)	\$ (644,857)	\$ (3,674,674)
Feb-12	\$ 6,373,843	845,507,563	\$ 5,749,451	\$ (624,391)	\$ (455,806)	\$ (338,203)	\$ 89,347	\$ 79,754	\$ (714,255)	\$ -0.0003	\$ (253,652)	\$ (714,255)	\$ (987,907)	\$ (4,642,581)
Mar-12	\$ 6,103,160	716,336,218	\$ 4,871,066	\$ (1,232,074)	\$ (899,414)	\$ (296,534)	\$ 261,685	\$ (118,418)	\$ (1,304,367)	\$ -0.0003	\$ (214,801)	\$ (1,304,367)	\$ (1,519,267)	\$ (6,161,848)
Apr-12	\$ 6,082,044	702,515,491	\$ 4,777,105	\$ (1,304,939)	\$ (852,605)	\$ (281,006)	\$ 52,746	\$ (87,758)	\$ (1,145,854)	\$ -0.0003	\$ (210,755)	\$ (1,145,854)	\$ (1,356,609)	\$ (7,518,457)
May-12	\$ 7,061,242	925,103,769	\$ 6,290,746	\$ (770,496)	\$ (562,462)	\$ (370,044)	\$ 73,927	\$ (11,095)	\$ (821,411)	\$ -0.0003	\$ (277,533)	\$ (821,411)	\$ (1,098,944)	\$ (8,617,401)
Jun-12	\$ 7,315,023	1,331,046,127	\$ 9,051,114	\$ (1,736,090)	\$ 1,287,346	\$ (532,418)	\$ 116,635	\$ 149,574	\$ 894,502	\$ -0.0003	\$ (399,314)	\$ 894,502	\$ 485,188	\$ (8,132,213)
Jul-12	\$ 7,348,279	1,349,179,614	\$ 9,174,421	\$ 1,826,143	\$ 1,333,084	\$ (539,672)	\$ 326,953	\$ (57,117)	\$ 736,295	\$ -0.0003	\$ (404,754)	\$ 736,295	\$ 331,541	\$ (7,800,671)
Aug-12	\$ 6,959,751	1,144,226,579	\$ 7,780,741	\$ (901,489)	\$ (658,087)	\$ (467,691)	\$ 347,997	\$ 23,848	\$ 165,480	\$ -0.0003	\$ (943,266)	\$ 165,480	\$ (177,768)	\$ (8,000,671)
Sep-12	\$ 6,195,572	778,541,611	\$ 5,284,063	\$ (820,990)	\$ (901,489)	\$ (311,417)	\$ 347,997	\$ 23,848	\$ 165,480	\$ -0.0003	\$ (943,266)	\$ 165,480	\$ (177,768)	\$ (8,000,671)
Oct-12	\$ 6,156,007	778,734,145	\$ 5,295,392	\$ (860,615)	\$ (628,249)	\$ (311,494)	\$ 347,997	\$ 23,848	\$ 165,480	\$ -0.0003	\$ (943,266)	\$ 165,480	\$ (177,768)	\$ (8,000,671)
Nov-12	\$ 6,686,571	1,006,065,023	\$ 6,841,378	\$ 154,807	\$ 113,009	\$ (402,434)	\$ -	\$ 201,217	\$ (68,208)	\$ -0.0003	\$ (301,829)	\$ (68,208)	\$ (374,865)	\$ (10,477,968)
Dec-12	\$ 80,185,743	11,738,899,140	\$ 79,822,413	\$ (863,330)	\$ (266,231)	\$ (4,695,436)	\$ 2,000,000	\$ 347,718	\$ (4,612,949)	\$ -0.0003	\$ (9,521,577)	\$ (4,612,949)	\$ (6,194,526)	\$ (11,137,959)

E-Factor Period	Total CAP Discounts (Shortfall) (1)	Billed R/RH Sales (b) (kWh) (2)	CAP Revenues Recovered In Base Rates (c) (3) = (2) * \$0.0068 kWh	Base Recovery o(u) Actual (c) (4) = (3) - (1)	Base Recovery o(u) Actual (c) (5) = (4) * 0.73	C-Factor Revenue (6) = (2) * \$0.0002 (7) = (2) * \$0.0002	L-Expenditures (8)	L-Factor Recovery o(u) (9) = (7) - (8)	L-Factor Revenue (10) = (5) + (6) + (9)	E-Factor Rate (11)	E-Factor Revenue (12) = (2) * (11)	Total C & L Factor o(u) Recovery (10) = (5) + (6) + (9)	CAP Revenues (E-L+C) Recovery o(u) (13) = (10) + (12)	Cumulative Recovery o(u) (14)
Jan-13	\$ 6,787,592	1,231,353,122	\$ 8,373,201	\$ 1,605,610	\$ 1,172,095	\$ 246,271	\$ -	\$ 246,271	\$ 246,271	\$ 0.0009	\$ 1,103,218	\$ 1,604,636	\$ 2,772,854	\$ (6,385,145)
Feb-13	\$ 6,442,550	1,128,723,617	\$ 7,675,321	\$ 1,232,771	\$ 899,923	\$ 225,745	\$ 30,316	\$ 196,429	\$ 1,321,097	\$ 0.0009	\$ 1,015,851	\$ 1,321,097	\$ 2,336,948	\$ (6,028,197)
Mar-13	\$ 6,191,491	1,011,389,469	\$ 6,877,448	\$ 685,958	\$ 500,749	\$ 202,278	\$ 246,472	\$ (44,194)	\$ 659,833	\$ 0.0009	\$ 910,251	\$ 659,833	\$ 1,569,083	\$ (4,459,114)
Apr-13	\$ 6,217,947	853,414,755	\$ 5,803,220	\$ (414,728)	\$ (302,750)	\$ 170,683	\$ 337,363	\$ (166,880)	\$ (298,748)	\$ 0.0009	\$ 768,073	\$ (298,748)	\$ 469,326	\$ (3,989,789)
May-13	\$ 5,969,213	708,982,493	\$ 4,820,945	\$ (748,268)	\$ (546,236)	\$ 141,792	\$ 447,524	\$ (305,731)	\$ (710,175)	\$ 0.0009	\$ 539,068	\$ (710,175)	\$ (72,108)	\$ (4,061,897)
Jun-13	\$ 6,176,311	930,841,015	\$ 6,329,719	\$ 151,408	\$ 110,528	\$ 186,168	\$ 211,827	\$ (25,659)	\$ 271,037	\$ 0.0009	\$ 837,757	\$ 271,037	\$ 1,106,794	\$ (2,953,103)
Jul-13	\$ 7,170,243	1,328,522,223	\$ 9,033,951	\$ 1,863,708	\$ 1,360,507	\$ 265,704	\$ 107,867	\$ 157,838	\$ 1,764,049	\$ 0.0009	\$ 1,195,670	\$ 1,764,049	\$ 2,979,719	\$ 26,616
Aug-13	\$ 7,086,536	1,220,561,685	\$ 8,299,819	\$ 1,213,283	\$ 865,697	\$ 244,112	\$ 199,766	\$ 44,346	\$ 1,174,155	\$ 0.0009	\$ 1,098,506	\$ 1,174,155	\$ 2,272,661	\$ 2,299,277
Sep-13	\$ 7,183,250	1,083,757,966	\$ 7,389,554	\$ 186,304	\$ 136,002	\$ 216,752	\$ 189,065	\$ 17,686	\$ 370,440	\$ 0.0009	\$ 975,382	\$ 370,440	\$ 1,345,822	\$ 3,645,069
Oct-13 (a)	\$ 6,100,000	800,500,000	\$ 5,443,400	\$ (656,600)	\$ (479,318)	\$ 160,100	\$ 263,139	\$ (103,039)	\$ (422,267)	\$ 0.0009	\$ 720,450	\$ (422,267)	\$ 298,193	\$ 3,943,261
Nov-13 (a)	\$ 6,000,000	804,000,000	\$ 5,467,200	\$ (532,800)	\$ (388,944)	\$ 160,800	\$ 237,987	\$ (77,187)	\$ (305,331)	\$ 0.0009	\$ 723,600	\$ (305,331)	\$ 418,269	\$ 4,361,560
Dec-13 (a)	\$ 6,950,000	1,050,000,000	\$ 7,140,000	\$ 340,000	\$ 248,200	\$ 210,000	\$ 218,673	\$ (6,673)	\$ 449,527	\$ 0.0009	\$ 945,000	\$ 449,527	\$ 1,394,527	\$ 5,756,067
	\$ 77,707,133	12,162,026,345	\$ 82,663,779	\$ 4,926,646	\$ 3,996,462	\$ 2,430,405	\$ 2,500,000	\$ (69,595)	\$ 5,957,262	\$ 10,938,824	\$ 16,894,066	\$ 5,957,262	\$ 5,766,067	

(a) Estimated.
 (b) Residential Non-CAP Sales.
 (c) Per settlement factor approved at Docket No. R-2010-2161575.

PECO - 2013 USFC Electric Interest Calculation

E-Factor Period	R/RH Sales (b) (kWh) (1)	C. & L. Factor O(U) Recovery (2)	Interest Rate (3)	Interest Time Factor (4)	Interest Owed/ (Interest to be Recouped) (5) = (2) * (3) * (4)	Interest Refund Rate (6)	Interest Collection/(Refund) (7) = (1) * (6)	Total Interest (8) = 5 + 7	Cumulative Interest Interest Owed/ (Interest to be Recouped) (9) = (8) + Prev (9)
Balance (a)									
Jan-12	1,172,070,659	\$ 325,278	6%	18/12	\$ 29,275	\$ 0.0000	\$ -	\$ 29,275	\$ 3,409
Feb-12	989,237,341	(348,086)	6%	17/12	(29,587)	\$ 0.0000	\$ -	(29,587)	32,684
Mar-12	845,507,563	(714,255)	6%	16/12	(57,140)	\$ 0.0000	\$ -	(57,140)	3,097
Apr-12	716,336,218	(1,304,367)	6%	15/12	(97,827)	\$ 0.0000	\$ -	(97,827)	(54,044)
May-12	702,515,491	(1,145,854)	6%	14/12	(80,210)	\$ 0.0000	\$ -	(80,210)	(151,871)
Jun-12	925,109,769	(821,411)	6%	13/12	(53,392)	\$ 0.0000	\$ -	(53,392)	(232,081)
Jul-12	1,331,046,127	884,502	6%	12/12	53,070	\$ 0.0000	\$ -	53,070	(285,473)
Aug-12	1,349,179,614	736,295	6%	11/12	40,496	\$ 0.0000	\$ -	40,496	(232,403)
Sep-12	1,144,226,579	165,480	6%	10/12	8,274	\$ 0.0000	\$ -	8,274	(191,906)
Oct-12	778,541,611	(1,161,059)	6%	9/12	(52,248)	\$ 0.0000	\$ -	(52,248)	(183,632)
Nov-12	778,734,145	(1,141,265)	6%	8/12	(45,651)	\$ 0.0000	\$ -	(45,651)	(235,880)
Dec-12	1,006,085,023	(88,208)	6%	7/12	(3,087)	\$ 0.0000	\$ -	(3,087)	(281,531)
	11,738,590,140	(4,612,949)			(288,027)			(288,027)	(284,618)
Jan-13	1,231,353,122	1,664,636	6%	10/12	149,817	\$ 0.0000	\$ -	149,817	(134,801)
Feb-13	1,128,723,617	1,321,097	6%	17/12	112,293	\$ 0.0000	\$ -	112,293	(22,507)
Mar-13	1,011,389,469	658,833	6%	16/12	52,707	\$ 0.0000	\$ -	52,707	30,199
Apr-13	853,414,755	(298,748)	6%	15/12	(22,406)	\$ 0.0000	\$ -	(22,406)	7,793
May-13	708,962,493	(710,175)	6%	14/12	(49,712)	\$ 0.0000	\$ -	(49,712)	(41,919)
Jun-13	930,841,015	271,037	6%	13/12	17,617	\$ 0.0000	\$ -	17,617	(24,302)
Jul-13	1,328,522,223	1,784,049	6%	12/12	107,043	\$ 0.0000	\$ -	107,043	82,741
Aug-13	1,220,561,685	1,174,155	6%	11/12	64,579	\$ 0.0000	\$ -	64,579	147,320
Sep-13	1,083,757,966	370,440	6%	10/12	18,522	\$ 0.0000	\$ -	18,522	165,842
Oct-13 (a)	800,500,000	(422,257)	6%	9/12	(19,002)	\$ 0.0000	\$ -	(19,002)	146,840
Nov-13 (a)	804,000,000	(305,331)	6%	8/12	(12,213)	\$ 0.0000	\$ -	(12,213)	134,627
Dec-13 (a)	1,050,000,000	449,527	6%	7/12	15,733	\$ 0.0000	\$ -	15,733	150,360
	12,152,026,345	5,957,262			434,978			434,978	150,360
								Net Interest \$	150,360

(a) Estimated.

(b) Residential Non-CAP Sales.

EXHIBIT 3

PECO
BILL COMPARISON with USFC at
(\$0.0005) kWh

Residential Rate R - 500 KWH (a)

	2013 w/ Current \$0.0013 kWh USFC Charge	2014 w/ Proposed (b) (\$0.0005) kWh USFC Credit	Difference (\$)	Difference (%)
FIXED DISTRIBUTION CHARGE	\$ 7.09	\$ 7.09		
TRANSMISSION CHARGE ALL KWH	\$ 3.75	\$ 3.75		
DISTRIBUTION CHARGE ALL KWH	\$ 30.50	\$ 29.60		
GSA				
ALL KWH	\$ 43.00	\$ 43.00		
SUB TOTAL	\$ 84.34	\$ 83.44		
STATE TAX ADJUSTMENT CLAUSE -0.21%	\$ (0.08)	\$ (0.08)		
TOTAL	\$ 84.26	\$ 83.36	\$ (0.90)	-1.07%

(a) Based on PECO Electric Tariff Rates as of 10/1/13.
(b) Calculation is for demonstration purposes only.