



An Exelon Company

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March 26, 2014

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Post Office Box 3265  
Harrisburg, PA 17105-3265

Re: Replacement Pages to PECO Energy Company's Default Service Plan - Tariff Electric PaPUC No. 4, Supplement No. 97 and Supplier Tariff No. 1S Supplement No. 17 - Issued February 24, 2014 to become effective on April 15, 2014 - Docket No. P-2012-2283641

Dear Secretary Chiavetta:

PECO Energy Company ("PECO") previously issued Tariff Supplement No. 97 to PECO's Tariff Electric -Pa. P.U.C. No. 4 and Supplier Tariff No. 1S Supplement No. 17 on February 24, 2014, bearing an effective date of April 15, 2014 representing Docket No. P-2012-2283641 - Default Service Plan filing. In addition, PECO submitted a replacement page to Supplement No. 97 on March 10, 2014 to correct a pagination issue.

On March 12, 2014, the Commission entered a "Final" Opinion and Order at the above docket requiring PECO to file a revised tariff supplement. This letter transmits for filing with the Commission replacement pages 1, 32, 34, 34A, 69 and 70 to Tariff Supplement No. 97 and replacement page 23 to Supplier Tariff Supplement No. 17.

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", with a long horizontal flourish extending to the right.

cc: 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  
C. T. Weakley, Bureau of Investigation & Enforcement

**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

**Generation Supply Adjustment for Procurement Class 1, 2, 3 – 17<sup>th</sup> Revised Page No. 32**

In accordance with the Commission Order at Docket No. P-2012-2283641, the procedure for filing proposed changes to the Procurement Class 1 Generation Supply Adjustment is retained at 45 days.

**Reconciliation – 5<sup>th</sup> Revised Page No. 34 and 1<sup>st</sup> Revised Page No. 34A**

In accordance with the Commission Order at Docket No. P-2012-2283641, the procedure for filing the reconciliation to the Procurement Class 1 Generation Supply Adjustment is retained at 45 days.

**CAP Rider - Customer Assistance Program – 25<sup>th</sup> Revised Page No. 69 & 9<sup>th</sup> Revised Page No. 70**

In accordance with the Commission Order at Docket No. P-2012-2283641 this revision removes wording which previously prevented CAP customers from shopping for competitive energy supply. Footnotes also added to the rate tables to clarify how discounts apply to CAP customers taking generation under PECO Default Service or Competitive Energy Service.

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

PD	GSA (2)	\$0.0803
PD	GSA (3)	\$0.0750
HT	GSA (2)	\$0.0771
HT	GSA (3)	\$0.0721
POL	GSA (2)	\$0.0521
SL-S		\$0.0521
TLCL		\$0.0817
SL-E		\$0.0521
AL		\$0.0521

Prices shall exclude capacity from the Procurement Class 2 RFP results

Procedure: For Procurement Classes 1, 2 and 3 the GSA shall be filed 45 days before the effective dates of June 1, September 1, December 1 and March 1 in conjunction with the Reconciliation Schedule.

**RECONCILIATION**

**Applicability: Effective June 1, 2013** this adjustment shall apply to all customers who received default service during the period the cost of which is being reconciled. Customers taking default service during the reconciliation period that leave default service prior to the assessment of the over/(under) adjustment shall still pay or receive credit for the over/(under) adjustment through the migration provision. The Company shall notify the Commission and parties to the Default Service Settlement 15 days in advance of the quarterly or monthly filing if the Migration Provision will be implemented in the filing.

This adjustment shall be calculated on a quarterly basis for Procurement Classes 1, 2 and 3. The reconciliation period will include the three month period beginning December 1, March 1, June 1 and September 1. The initial reconciliation period will include the three month period beginning December 1, 2012 through February 28, 2013 with recovery occurring during the three month period June 1, 2013 through August 31, 2013. For Procurement Class 4 Hourly, the adjustment shall be calculated on a monthly basis with recovery commencing after the occurrence of a quarter. The reconciliation shall be separate for each procurement class. Any resulting over or under recovery shall be assessed on an equal cents per kilowatthour basis to all customers in the relevant procurement group. Any over/(under) recovery shall be collected after the occurrence of three months from the end of the reconciliation period. For Procurement Classes 1, 2 and 3 recovery shall be over a quarter. For Procurement Class 4 Hourly, recovery shall be monthly. For purposes of this rider the reconciliation shall be calculated 45 days before the effective date of recovery. The over or under recovery shall be calculated using the formula below. The calculation of the over/(under) recovery shall be done separately for the following procurement classes – Class 1 – Residential, Class 2 – Small C&I < 100 kW, and Class 3 – Medium C&I 101 kW to 500 kW and Class 4 Large C&I over 500 kW.

**Reconciliation Formula**

$$E_N = \Sigma O/(U) + I$$

$$\text{Migration Provision } E_M = [\Sigma O/(U) + I]/S/(1-GRT)*(1-ALL)/(1-LL)$$

**Where:**

**E** = experienced over or under collection plus associated interest

**N** = Procurement class

**M** = Migration Rider

**O/(U)** = The monthly difference between revenue billed to the procurement class and the cost of supply as described below in Cost, AEPS Cost and Administrative Cost.

**Revenue** = amount billed to the tariff rates applicable to the procurement class including approved Real Time Price or other time sensitive rates for the period being reconciled through the GSA.

**Cost** = The sum of the amounts paid to all of the full requirements suppliers providing the power for the period being reconciled, the spot market purchases for the period being reconciled, plus the cost of any other energy acquired for the period being reconciled. Cost shall include energy, capacity and ancillary services as well as the proceeds and costs of auction revenue rights for Procurement Classes 1, 2 and 3. 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 those costs listed in the Supply Master Agreement as the responsibility of the seller.

**AEPS** = The total cost of complying with the Alternative Energy Portfolio Standards Act ("AEPS" or the "Act") not included in the Cost component above for the reconciliation period for Procurement Classes 1, 2 and 3 and not included in the ancillary services component for Procurement Class 4 Hourly Service. 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.

Note that no AEPS rate will be filed for April 1, 2013, and costs otherwise recovered under that rate will be included in the GSA. Effective June 1, 2013, all AEPS costs shall be recovered in the GSA. By March 31, 2013, the Company shall file an AEPS over/under reconciliation statement for the 13 months ended February 2013 and any over/under recovery balance shall be combined with the over/under balance in the corresponding GSA at the end of February 2013 for recovery through the reconciliation provision of the GSA. Over/under recoveries occurring during the March 2013 to May 2013 period shall be combined with the corresponding GSA over/under recovery in future GSA reconciliations.

**Administrative Cost** = This includes the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement strategy, legal fees incurred gaining approval of the strategy, 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 approved in its Act 129 filing. 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 EGS's.

**Full Requirements Supply** = A product purchased by the Company that includes a fixed price for all energy consumed. The only cost added by the Company to the full requirements price is for gross receipts tax, distribution line losses, and administrative cost.

**Ancillary Services** = The following services in the PJM OATT- reactive support, frequency control, operating reserves, supplemental reserves, imbalance charges, PJM annual charges, any PJM assessment associated with non-payment by members, and any other load serving entity charges not listed here but contained in Exhibit D of the Supply Master Agreement. Also included shall be the proceeds and costs from the exercise of auction revenue rights for Procurement Class 4 Hourly Service.

**(C)** Denotes Change

**RECONCILIATION  
(CONTINUED)**

**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.

**Capacity** = The amount charged to PECO by PJM for capacity for its default service load under the reliability pricing model (RPM)  
I = interest on the over or under collection where a rate of 8% is used on over-collection and 6% on under-collections.

S= estimated default service retail sales in kWh for the period the cost of which is being reconciled

**ALL** = the average line losses in a procurement class as a percent of generation

**LL** = the average line losses for a particular rate (e.g. HT, PD, GS) as provided in the Electric Generation Supplier Coordination  
Tariff rule 6.6

**GRT** = The current gross receipts tax rate

**Procurement Class** – set of customers for which the company has a common procurement plan

**Procedural Schedule**

The Company shall file the calculation of the over/under collection for the period being reconciled and the proposed adjustment to the GSA 45 days before the effective date as described below. The over/under collection adjustment for Procurement Classes 1, 2, 3 and 4 Hourly shall be effective no earlier than the first day of the month such that the commencement of recovery shall lag by one quarter. For Procurement Classes 1, 2 and 3 the GSA will be effective June 1, September 1, December 1 and March 1 commencing June 1, 2013 with over/under collection recovery occurring over a quarter. GSA 4 Hourly rates shall be effective the first of each month with over/under collection recovery occurring over a month. The data provided in the reconciliation shall be audited on an annual basis by the PaPUC Bureau of Audits.

**Customer Assistance Program (CAP) Rider**

**AVAILABILITY:**

To payment-troubled customers who are currently served under or otherwise qualify for Rate R, or RH (excluding multiple dwelling unit buildings consisting of two to five dwelling units). Customers must apply for the rates contained in this rider and must demonstrate annual household gross income at or below 150% of the Federal Poverty guidelines.

Based on the applicable level of income and other criteria, the following CAP Rate categories (A through E1) apply:

**CAP A - PECO Cares Program:** Customers with annual household gross incomes at or below 25% of the Federal poverty income guidelines with documented extenuating circumstances will be eligible for CAP A which provides for Residential Rate R customers a nominal bundled rate of \$12/month for all usage up to 1,000 KWH; for usage above 1,000 KWH the CAP D rate structure will apply. For Residential Heating customers Rate RH, CAP A provides a nominal bundled rate of \$30/month for all usage up to 2,000 KWH in the Winter<sup>1</sup>/1,000 KWH in the Summer<sup>1</sup>; for usage above 2,000/1,000 KWH the CAP D rate structure will apply.

Extenuating circumstances shall include those individuals who demonstrate an inability to pay the billed rate of CAP B as a result of unique circumstances such as:

- Health related matters:
  - o Injury or illness
  - o High medical bills
  - o Medically related usage
  - o Death in the family
- Sudden loss of employment
- Households that include at risk individuals such as:
  - o Children below 8 years of age
  - o Disabled persons
  - o Infirm elderly
- Inability to maintain at least two CAP B payment arrangements
- High usage related to shelter conditions which are not treatable by LIURP

<sup>1</sup> Winter refers to the 9 months (October – June); Summer refers to the 3 peak usage summer months (July-September).

**Program Provisions:** The CAP A Rate is limited to 7,500 customers and these customers will be re-certified annually. CAP A customers will be targeted to receive LIURP treatments; and they will be assigned to a PECO Cares Representative to maximize the assistance available to them.

Rate R	CAP B	CAP C	CAP D	CAP D1	CAP E	CAP E1
<b>Federal Poverty Income Rate</b>	<b>&lt;=25%</b>	<b>26-50%</b>	<b>51-75%</b>	<b>76-100%</b>	<b>101-125%</b>	<b>126-150%</b>
<b>Discount<sup>1</sup></b>	92%	84%	68%	61%	37%	21%
<b>Max Discount Amount Winter Bill</b>						
<b>650 kWh<sup>2</sup></b>	\$94.40	\$86.19	\$69.77	\$62.59	\$37.97	\$21.55
<b>Max Discount Amount Jul - Sept</b>						
<b>750 kWh<sup>2</sup></b>	\$107.93	\$98.54	N/A	N/A	N/A	N/A
<b>Max Discount Amount Jun - Sept</b>						
<b>650 kWh<sup>2</sup></b>	N/A	N/A	\$69.77	\$62.59	\$37.97	\$21.55
<b>Max Discount Amount June</b>						
<b>650 kWh<sup>2</sup></b>	\$94.40	\$86.19	N/A	N/A	N/A	N/A
<b>Monthly Minimum Bill</b>	\$12.00	N/A	N/A	N/A	N/A	N/A
<b>Must be on Budget Billing</b>	Yes	Yes	No	No	No	No

<sup>1</sup> Discount Percentages applicable to all CAP customers regardless whether they are using PECO Default Service or Competitive Energy Supply.

<sup>2</sup> Maximum dollar discounts applicable to only CAP customers using PECO Default Service.

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**Customer Assistance Program (CAP) Rider (continued)**

(C)

Rate RH	CAP B	CAP C	CAP D	CAP D1	CAP E	CAP E1
<b>Federal Poverty Income Rate</b>	<b>&lt;=25%</b>	<b>26-50%</b>	<b>51-75%</b>	<b>76-100%</b>	<b>101-125%</b>	<b>126-150%</b>
Discount <sup>1</sup>	86%	73%	39%	22%	0%	0%
<b>Max Discount Amount Oct &amp; May</b> 650 kWh <sup>2</sup>	\$77.43	\$65.72	\$35.11	\$19.81	\$0.00	\$0.00
<b>Max Discount Amount Nov - Apr</b> 1500 kWh <sup>2</sup>	\$170.71	\$144.91	\$77.42	43.67	\$0.00	\$0.00
<b>Max Discount Amount Jul - Sept</b> 750 kWh <sup>2</sup>	\$100.89	\$85.64	N/A	N/A	N/A	N/A
<b>Max Discount Amount Jun - Sept</b> 650 kWh <sup>2</sup>	N/A	N/A	\$40.02	\$22.57	\$0.00	\$0.00
<b>Max Discount Amount June</b> 650 kWh <sup>2</sup>	\$88.24	\$74.91	N/A	N/A	N/A	N/A
<b>Monthly Minimum Bill Oct - June</b>	\$30.00	N/A	N/A	N/A	N/A	N/A
<b>Must be on Budget Billing</b>	Yes	Yes	No	No	No	No

**DISCOUNT LEVELS:** The Company shall be required to modify the level of discounts set forth as part of its annual USFC filing. If the calculated discounts result in a discount greater than the level allowed by the Commission, the discount for each class will be scaled back on a prorata basis such that the total cost does not exceed the allowed level. The Company will update the maximum discounts for all CAP tiers in conjunction with the quarterly Generation Supply Adjustment filing.

**CERTIFICATION/VERIFICATION** Prior to enrollment in the CAP Rider, and then again every two years, customers must verify, to PECO's satisfaction, that their household income level meets the "Availability" standards set forth in this Rider. Customers being considered for the CAP Rider will be required to:

- Provide information sufficient to demonstrate to PECO their household income level.
- Waive certain privacy rights to enable PECO to effectively conduct the above certification process.
- Apply for and assign to PECO at least one energy assistance grant from the Commonwealth.
- Participate in various energy education and conservation programs facilitated by PECO.

PECO may, at its sole discretion, supplement this verification process by using data from Commonwealth or federal government programs which demonstrate the income eligibility of its customers. Such data may come from a customer's participation in, or receipt of benefits from, the Low Income Home Energy Assistance Program, Temporary Assistance for Needy Families, Food Stamps, Supplemental Security Income, and Medicaid. Information available from the Pennsylvania Department of Revenue may also be used where appropriate to expedite the process.

**MINIMUM CHARGE.** The minimum charge per month will be the fixed distribution charge for all customers unless otherwise noted

<sup>1</sup> Discount Percentages applicable to all CAP customers regardless whether they are using PECO Default Service or Competitive Energy Supply.

<sup>2</sup> Maximum dollar discounts applicable to only CAP customers using PECO Default Service.

(C) Denotes Change

**5.5 Provision for EGS Serving Customers Participating in PECO Energy Company's Customer Assistance Program ("CAP Customers").**

The Tariff provisions in this section apply to EGSs who provide Competitive Energy Supply to low-income customers participating in PECO Energy Company's Customer Assistance Program ("CAP").

**5.5.1 EGS Contract Terms for CAP Customers.**

EGSs that offer special pricing and/or programs for CAP customer's, shall honor the terms of CAP shopping contracts until those contracts expire regardless of whether the customer remains on CAP for the duration of the contract.

**5.5.2 EGS Notice for Entry and Exit for Serving CAP Customers.**

EGSs that serve CAP customers:

- (1) Must electronically submit to PECO a Notice of Intent to Participate as a CAP Supplier, at least five business days before publishing CAP prices. The notice of intent can be found on the SUCCESS website.
- (2) Must use EDC Consolidated Billing for all CAP customers.

EGSs that serve CAP customers and opt to cease serving them:

- (1) Must give the Commission, PECO Energy Company and its customers at least 30 days' notice before terminating its participation in the CAP shopping program;
- (2) Shall return its CAP customers to PECO's Default Service;
- (3) Must wait at least 90 days before reentering the CAP Program and
- (4) Is prohibited from reenrolling its previous CAP customers without obtaining the customer's affirmative consent to another contract before re-enrolling them.

**5.5.3 Reporting Obligations for CAP Program.**

On a semi-annual basis, PECO will submit reports to the Commission which utilize information to describe the net impact of the CAP Program customer shopping. The data collection, content, format and timing of release of the semi-annual reports will be as developed through a collaborative of interested stakeholders and convened by the Commission's Office of Competitive Market Oversight and Bureau of Consumer Services.

(C) Denotes Change