



An Exelon Company

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PECO
2301 Market Street, 515
Philadelphia, PA 19103

May 16, 2014

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. 104
Effective July 1, 2014, Docket No. P-2012-2283641

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission Supplement No. 104 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 July 1, 2014 through July 31, 2014. 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 July 2014 of 0.74 cents/kWh reflects a decrease of 0.59 cents/kWh compared to the rate in June 2014 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
May 16, 2014
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 "Rosemary", with a long horizontal flourish extending to the right.

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: July 1, 2014 through July 31, 2014

cents/kWh

	Amount	GSA Rate			Rate GS			Rate PD			Rate HT			Rate EP		
		Rate	w/GRT Incl. Line	Loss Ratio												
AS Ancillary Services and Alternative Energy Portfolio Standards Factor																
-Ancillary Service and AEPS (a)	\$ 276,878	0.53	0.60	0.55	0.58	0.63	0.56	0.53	0.56	0.53	0.56	0.53	0.56	0.53	0.56	
-Additional AEPS Cost	\$ 64,567	0.12	0.13	0.12	0.13	0.12	0.13	0.12	0.13	0.12	0.13	0.12	0.13	0.12	0.13	
Total Ancillary Service Cost and Alternative Energy Portfolio Standards Factor	\$ 341,445	0.65	0.73	0.67	0.71	0.65	0.69	0.65	0.69	0.65	0.69	0.65	0.69	0.65	0.69	
AC Administrative Cost Factor																
-Administrative Cost	\$ 15,575	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	
Total Administrative Service Cost	\$ 15,575	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	
E Factor Including Interest																
-Over/(Under) Collection Jan 2011 to Mar 2014	\$ 465,558	0.89	0.95	0.89	0.95	0.89	0.95	0.89	0.95	0.89	0.95	0.89	0.95	0.89	0.95	
-Net Interest Jan 2011 to Mar 2014	\$ 16,899	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	
-Prior Period Over/Under Collection Revenue, Apr 2014 to Jun 2014	\$ (455,888)	(0.87)	(0.82)	(0.87)	(0.82)	(0.87)	(0.82)	(0.87)	(0.82)	(0.87)	(0.82)	(0.87)	(0.82)	(0.87)	(0.82)	
-Prior Period Interest Revenue, Apr 2014 to Jun 2014	\$ (19,252)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	
Total E Factor Including Interest	\$ 7,529	0.01	0.02	0.01	0.02	0.01	0.02	0.01	0.02	0.01	0.02	0.01	0.02	0.01	0.02	
WC Working Capital Adjustment																
-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	0.04	0.04	0.04	
Total Working Capital Adjustment		0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	
Total GSA Rate (AS + AC - E + WC)		0.71	0.74	0.73	0.76	0.71	0.74	0.73	0.76	0.71	0.74	0.73	0.76	0.71	0.74	
S Sales for Application Period in kWh																
	52,143,168															
Gross Receipts Tax (GRT)																
	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 July 1, 2014 through July 31, 2014**

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Additional AEPS Costs (2)	Administrative Cost (3)
Jul-14	\$276,878	\$64,567	\$15,575

PECO GSA 4 (Hourly) Default kWh Sales
For the Period July 1, 2014 through July 31, 2014

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh	Rate EP kWh
Jul-14	52,143,168	3,080,828	540,406	48,521,934	-

PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections
For the Period January 1, 2011 through March 31, 2014
and April 2014, May 2014 and June 2014

Month	Default Supplier Hourly Pricing and PECO Provided Spot Energy and Capacity	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance	Additional AEPS Costs	Administrative Cost	Total Cost Including Administrative Cost	Allocation Factor	Total Allocated Cost Including Administrative Cost
	(1)	(2)	(3)	(4)	(5)=(1)+(2)+(3)+(4)	(6)	(7)=(6) x (6)
Jan-11	\$34,474,082	\$1,523,184	\$0	\$127,566	\$36,124,832	1.00000000	\$36,124,832
Feb-11	\$6,320,627	\$361,668	\$0	\$35,618	\$6,717,913	1.00000000	\$6,717,913
Mar-11	\$4,906,364	\$292,903	\$0	\$29,114	\$5,198,381	1.00000000	\$5,198,381
Apr-11	\$3,706,889	\$192,662	\$0	\$26,307	\$3,925,857	1.00000000	\$3,925,857
May-11	\$5,040,920	\$285,803	\$0	\$43,459	\$5,370,182	1.00000000	\$5,370,182
Jun-11	\$4,448,331	\$335,879	\$0	\$25,449	\$4,809,659	1.00000000	\$4,809,659
Jul-11	\$5,622,952	\$425,014	\$0	\$21,619	\$6,069,585	1.00000000	\$6,069,585
Aug-11	\$4,337,687	\$333,931	\$0	\$26,352	\$4,697,971	1.00000000	\$4,697,971
Sep-11	\$3,485,928	\$262,382	\$0	\$25,521	\$3,773,831	1.00000000	\$3,773,831
Oct-11	\$2,198,869	\$165,506	\$0	\$26,146	\$2,390,521	1.00000000	\$2,390,521
Nov-11	\$1,869,162	\$140,689	\$0	\$23,886	\$2,033,737	1.00000000	\$2,033,737
Dec-11	\$1,894,671	\$142,610	\$0	\$19,702	\$2,056,982	1.00000000	\$2,056,982
Jan-12	\$2,449,370	\$184,361	\$0	\$13,886	\$2,647,617	1.00000000	\$2,647,617
Feb-12	\$2,157,809	\$162,415	\$0	\$16,653	\$2,336,877	1.00000000	\$2,336,877
Mar-12	\$2,074,882	\$156,174	\$0	\$18,576	\$2,249,632	1.00000000	\$2,249,632
Apr-12	\$1,557,055	\$117,198	\$0	\$17,736	\$1,691,989	1.00000000	\$1,691,989
May-12	\$1,961,892	\$147,554	\$0	\$16,223	\$2,125,669	1.00000000	\$2,125,669
Jun-12	\$2,409,854	\$182,738	\$0	\$16,845	\$2,609,437	1.00000000	\$2,609,437
Jul-12	\$3,078,743	\$228,320	\$0	\$14,291	\$3,321,354	1.00000000	\$3,321,354
Aug-12	\$1,966,404	\$183,725	\$0	\$14,630	\$2,164,760	1.00000000	\$2,164,760
Sep-12	\$1,909,961	\$143,761	\$0	\$15,018	\$2,068,740	1.00000000	\$2,068,740
Oct-12	\$1,915,894	\$144,207	\$0	\$18,238	\$2,078,339	1.00000000	\$2,078,339
Nov-12	\$2,157,969	\$162,428	\$0	\$16,761	\$2,337,158	1.00000000	\$2,337,158
Dec-12	\$2,062,244	\$155,223	\$0	\$16,219	\$2,233,686	1.00000000	\$2,233,686
Jan-13	\$5,386,082	\$405,404	\$0	\$17,797	\$5,809,283	1.00000000	\$5,809,283
Feb-13	\$2,961,505	\$222,909	\$0	\$48,768	\$3,233,182	1.00000000	\$3,233,182
Mar-13	\$3,410,024	\$256,668	\$0	\$20,021	\$3,686,713	1.00000000	\$3,686,713
Apr-13	\$2,403,085	\$180,877	\$0	\$26,210	\$2,610,173	1.00000000	\$2,610,173
May-13	\$2,402,748	\$180,852	\$0	\$26,488	\$2,610,088	1.00000000	\$2,610,088
Jun-13	\$2,517,191	\$189,466	\$65,362	\$15,059	\$2,787,078	1.00000000	\$2,787,078
Jul-13	\$2,980,202	\$224,316	\$39,867	\$14,345	\$3,258,730	1.00000000	\$3,258,730
Aug-13	\$2,368,706	\$178,290	\$49,877	\$15,534	\$2,612,407	1.00000000	\$2,612,407
Sep-13	\$2,452,487	\$184,596	\$44,174	\$14,034	\$2,695,290	1.00000000	\$2,695,290
Oct-13	\$2,315,849	\$174,311	\$43,771	\$17,640	\$2,551,571	1.00000000	\$2,551,571
Nov-13	\$2,238,829	\$168,514	\$15,809	\$18,268	\$2,441,420	1.00000000	\$2,441,420
Dec-13	\$2,560,197	\$192,703	\$188	\$15,521	\$2,768,609	1.00000000	\$2,768,609
Jan-14	\$9,836,500	\$740,382	\$55	\$17,416	\$10,594,352	1.00000000	\$10,594,352
Feb-14	\$4,202,849	\$316,343	\$21	\$18,003	\$4,537,216	1.00000000	\$4,537,216
Mar-14	\$4,284,571	\$322,495	\$28	\$16,575	\$4,623,668	1.00000000	\$4,623,668
Apr-14							
May-14							
Jun-14							

PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections
For the Period January 1, 2011 through March 31, 2014
and April 2014, May 2014 and June 2014

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
				(21) = (17) + (20)	(22)=(7) from Attachment 1, page 9 Mar 2013 onward

(18)=(10) from Attachment 1, Page 9 starting Mar 2013
(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 AEPS
E-Factor Calculation

Procurement Class 4

E-Factor Period	Actual AEPS Costs (1)	Actual Default Sales (kWh) (2)	C-Factor Rate (3)	C-Factor Revenue (4) = (3) * (2)	C-Factor Over/(Under) Recovery (5) = (4) - (1)	E-Factor Rate (6)	E-Factor Revenue (7) = (6) * (2)	Total Collected Revenue (8) = (7) + (4)	Over/(Under) Recovery (9) = (8) - (1)	Cumulative Over/(Under) Recovery (10)	RCC Balance (11)
Feb-12	\$ 4,054	48,604,602	\$ 0.0001	\$ 5,042	\$ 989	\$ -	\$ -	\$ 5,042	\$ 989	\$ (426,193)	\$ -
Mar-12	\$ 49	44,999,968	\$ 0.0001	\$ 4,178	\$ 4,129	\$ -	\$ -	\$ 4,178	\$ 4,129	\$ (425,204)	\$ -
Apr-12	\$ 3,407	40,307,894	\$ 0.0001	\$ 3,594	\$ 187	\$ -	\$ -	\$ 3,594	\$ 187	\$ (421,075)	\$ -
May-12	\$ 3,784	32,382,852	\$ 0.0001	\$ 3,266	\$ (518)	\$ -	\$ -	\$ 3,266	\$ (518)	\$ (420,888)	\$ -
Jun-12	\$ (47,336)	42,937,126	\$ 0.0004	\$ 15,197	\$ 62,533	\$ 0.0045	\$ 180,261	\$ 195,459	\$ 242,795	\$ (421,406)	\$ (1,757,491)
Jul-12	\$ (36,770)	48,594,968	\$ 0.0004	\$ 18,025	\$ 54,795	\$ 0.0045	\$ 213,809	\$ 231,834	\$ 268,605	\$ (1,936,103)	\$ -
Aug-12	\$ (29,515)	47,748,721	\$ 0.0004	\$ 17,807	\$ 47,321	\$ 0.0045	\$ 211,213	\$ 229,019	\$ 258,534	\$ (1,667,498)	\$ -
Sep-12	\$ 4,779	41,880,579	\$ 0.0004	\$ 15,617	\$ 10,838	\$ 0.0045	\$ 185,238	\$ 200,854	\$ 196,075	\$ (1,408,964)	\$ -
Oct-12	\$ 4,500	38,502,615	\$ 0.0004	\$ 14,362	\$ 9,862	\$ 0.0045	\$ 170,355	\$ 184,717	\$ 180,217	\$ (1,032,672)	\$ -
Nov-12	\$ 4,854	35,345,903	\$ 0.0004	\$ 13,182	\$ 8,328	\$ 0.0045	\$ 156,362	\$ 169,545	\$ 164,691	\$ (867,981)	\$ -
Dec-12	\$ 5,529	42,397,714	\$ 0.0004	\$ 15,813	\$ 10,284	\$ 0.0045	\$ 187,563	\$ 203,376	\$ 197,648	\$ (670,133)	\$ -
Jan-13	\$ 13,135	49,441,024	\$ 0.0004	\$ 18,440	\$ 5,305	\$ 0.0045	\$ 218,723	\$ 237,163	\$ 224,028	\$ (446,105)	\$ -
Feb-13	\$ 399,480	144,430,803	\$ 0.0004	\$ 58,865	\$ (345,615)	\$ 0.0045	\$ 638,922	\$ 692,787	\$ 293,307	\$ (152,798)	\$ -
Mar-13	\$ 5,348	47,361,589	\$ 0.0004	\$ 17,672	\$ 12,324	\$ 0.0045	\$ 209,612	\$ 227,284	\$ 221,937	\$ 69,139	\$ -
Apr-13	\$ 369,968	52,567,676	\$ 0.0004	\$ 19,606	\$ (350,362)	\$ 0.0045	\$ 232,555	\$ 252,161	\$ (117,806)	\$ (48,668)	\$ -
May-13	\$ 27	41,564,555	\$ 0.0004	\$ 15,261	\$ 15,233	\$ 0.0045	\$ 181,018	\$ 196,278	\$ 196,251	\$ 147,583	\$ -

FLU AERS
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)	Interest Refund (8) = (5) + (7) + Prev (8)	Cummulative Interest Owed/ (Interest Recouped)
Balance								\$	(47,542)
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	\$ 4,555	\$	(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

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued May 16, 2014

Effective July 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

Generation Supply Adjustment for Procurement Class 4 Loads Greater than 500 KW – 14th Revised Page No. 33A

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

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PECO Energy Company

**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

$$\Sigma \text{PJM}_{\text{DA}} \times \text{usage} / (1-\text{LL})$$

PJM_{DA} – 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_{RPM} x Bill Days

PLC = peak load contribution

RM = reserve margin adjustment per PJM

P_{RPM} = 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.

$$((\text{PJM}_{\text{AS}} \times \text{Usage} * 1 / (1-\text{LL}) + \text{AEPS} / \text{S}_{\text{AEPS}} \times \text{Usage})$$

PJM_{AS} = \$/MWH charged by PJM for ancillary services

AEPS = cost of complying with the alternative energy portfolio standard

S_{AEPS} = 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 = $\Sigma \text{O} / (\text{U}) / \text{S}_4 \times \text{usage}$ where

E = over/under recovery as calculated in the reconciliation

S₄ = 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.

Tariff Rate	GS	PD	HT	EP
Hourly Pricing Adder* (cents/kWh)	0.78	0.76	0.74	0.74

(D)

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