



An Exelon Company

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

June 19, 2014

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

Re: Supplement No. 106 to Tariff Electric – Pa PUC No. 4 effective July 1, 2014  
Updating CAP discount rates and maximum discounts provided under terms of the  
Settlement at Docket No. R-2010-2161575 (Section D)

Dear Secretary Chiavetta:

Pursuant to Commission Opinion and Order at Docket No. R-2010-2161575, PECO Energy Company is herewith filing Supplement No. 106 to Tariff Electric Pa. P.U.C. No. 4, bearing an effective date of July 1, 2014, in compliance with the above Order.

The specific purpose of the filing addresses the Electric Customer Assistance Program (CAP) approved at Docket No. R-2010-2161575 which requires that the discount factors be updated July 1 of each year. In support of Supplement No. 106 we are providing the following:

Attachments:

- Attachment 1 – Summary of electric CAP discounts and maximum discounts by CAP tier.
- Attachment 2 – APPRISE Electric Affordability Study
- Attachment 3 – Electric CAP discount calculation using APPRISE Electric Affordability Study
- Attachment 4 – Revised Electric CAP Tariff

If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Webster", with a long horizontal flourish extending to the right.

cc: Certificate of Service

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PECO Energy Company

:

DOCKET NO. R-2010-2161575

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true copy of the foregoing documents upon the participants, listed below, in the manner indicated below:

**VIA First Class Mail**

Irwin A. Popowsky, Esquire  
Tanya J. McCloskey, Esquire  
Office of Consumer Advocate  
555 Walnut Street  
Forum Place – Fifth Floor  
Harrisburg, PA 17101-1923

Steven C. Gray, Esquire  
Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Johnnie E. Simms, Esquire  
Bureau of Investigation & Enforcement  
Pennsylvania Public Utility  
Commission  
400 North Street  
Harrisburg, PA 17105

Charis Mincavage, Esquire  
McNees, Wallace & Nurick  
Post Office Box 1166  
100 Pine Street  
Harrisburg, PA 17108

Harry Geller, Esquire  
Pennsylvania Utility Law Project  
118 Locust Street  
Harrisburg, PA 17101

Shelley R. Smith, Esquire  
City of Philadelphia Law Department  
1515 Arch Street – 17<sup>th</sup> Floor  
Philadelphia, PA 19102

Jan Jarrett  
Penn Future  
1518 Walnut Street Suite 1100  
Philadelphia, PA 19102

Thu B. Tran, Esquire  
Community Legal Services of Philadelphia  
1424 Chestnut Street  
Philadelphia, PA 19102



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Richard G. Webster, Jr.  
Vice President, Regulatory Policy & Strategy  
PECO Energy Company  
2301 Market Street S15-2  
Philadelphia, PA 19103  
(215) 841-5777  
Dated: June 19, 2014

# ATTACHMENT 1

**CAP Rates and Discounts Effective July 1, 2014  
Using Revised APPRISE Affordability Study Data (6/17/14)**

| Rate R |                             | <u>CAP A</u> | <u>CAP B</u> | <u>CAP C</u> | <u>CAP D</u> | <u>CAP D1</u> | <u>CAP E</u> | <u>CAP E1</u> |
|--------|-----------------------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|
|        | Discount                    | 92%          | 92%          | 85%          | 69%          | 63%           | 39%          | 27%           |
|        | 650 kWh Winter Bill         | \$102.06     | \$102.06     | \$102.06     | \$102.06     | \$102.06      | \$102.06     | \$102.06      |
|        | 650 kWh Winter Bill w/disc* | \$ 12.00     | \$ 12.00     | \$ 15.31     | \$ 31.64     | \$ 37.76      | \$ 62.26     | \$ 74.50      |
|        | Max Discount Amount         |              | \$ 93.90     | \$ 86.75     | \$ 70.42     | \$ 64.30      | \$ 39.80     | \$ 27.56      |
|        | 750 kWh Summer Bill         | \$116.67     | \$116.67     | \$116.67     |              |               |              |               |
|        | 750 kWh Summer Bill w/disc* | \$ 12.00     | \$ 12.00     | \$ 17.50     |              |               |              |               |
|        | Max Discount Amount         |              | \$107.34     | \$99.17      |              |               |              |               |
|        | 650 kWh Summer Bill         |              |              |              | \$102.06     | \$102.06      | \$102.06     | \$102.06      |
|        | 650 kWh Summer Bill w/disc* |              |              |              | \$ 31.64     | \$ 37.76      | \$ 62.26     | \$ 74.50      |
|        | Max Discount Amount         |              |              |              | \$70.42      | \$64.30       | \$39.80      | \$27.56       |
|        | 650 kWh June Bill           |              | \$102.06     | \$102.06     |              |               |              |               |
|        | 650 kWh June Bill w/disc*   |              | \$12.00      | \$15.31      |              |               |              |               |
|        | 650 kWh June Max Discount   |              | \$93.90      | \$86.75      |              |               |              |               |

| Rate RH |                                 | <u>CAP A</u> | <u>CAP B</u> | <u>CAP C</u> | <u>CAP D</u> | <u>CAP D1</u> | <u>CAP E</u> | <u>CAP E1</u> |
|---------|---------------------------------|--------------|--------------|--------------|--------------|---------------|--------------|---------------|
|         | Discount                        | 89%          | 89%          | 74%          | 47%          | 32%           | 0%           | 0%            |
|         | 650 kWh Winter Bill             | \$ 89.48     | \$ 89.48     | \$ 89.48     | \$ 89.48     | \$ 89.48      | \$ 89.48     | \$ 89.48      |
|         | 650 kWh Winter Bill w/disc*     | \$ 30.00     | \$ 30.00     | \$ 23.26     | \$ 47.42     | \$ 60.85      | \$ 89.48     | \$ 89.48      |
|         | Max Discount Amount             |              | \$ 79.64     | \$ 66.22     | \$ 42.06     | \$ 28.63      | \$ -         | \$ -          |
|         | 1500 kWh (Nov through Apr) Bill | \$197.19     | \$197.19     | \$197.19     | \$197.19     | \$197.19      | \$197.19     | \$197.19      |
|         | 1500 kWh Winter Bill w/disc*    | \$ 30.00     | \$ 30.00     | \$ 51.27     | \$104.51     | \$134.09      | \$197.19     | \$197.19      |
|         | Max Discount Amount             |              | \$175.50     | \$145.92     | \$ 92.68     | \$ 63.10      | \$ -         | \$ -          |
|         | 750 kWh Summer Bill             | \$116.67     | \$116.67     | \$116.67     |              |               |              |               |
|         | 750 kWh Summer Bill w/disc*     | \$ 30.00     | \$ 12.83     | \$ 30.33     |              |               |              |               |
|         | Max Discount Amount             |              | \$103.84     | \$ 86.34     |              |               |              |               |
|         | 650 kWh Summer Bill             |              |              |              | \$102.06     | \$102.06      | \$102.06     | \$102.06      |
|         | 650 kWh Summer Bill w/disc*     |              |              |              | \$ 54.09     | \$ 69.40      | \$102.06     | \$102.06      |
|         | Max Discount Amount             |              |              |              | \$ 47.97     | \$ 32.66      | \$ -         | \$ -          |
|         | 650 kWh June Bill               |              | \$102.06     | \$102.06     |              |               |              |               |
|         | 650 kWh June Bill w/disc*       |              | \$ 30.00     | \$ 26.54     |              |               |              |               |
|         | 650 kWh June Max Discount       |              | \$ 90.83     | \$ 75.52     |              |               |              |               |

\* As per PECO tariff, minimum bills for CAP A & B tiers Rate R is \$12. Rate RH (W) is \$30 and for (S) is \$12.

# ATTACHMENT 2

**DATE:** June 17, 2014  
**TO:** Scott Neumann  
**FROM:** Jackie Berger, Leah Harrell, and Eduardo Martinez  
**SUBJECT:** PECO Electric Affordability Analysis

PECO has asked APPRISE to update the analysis of the electric burden for CAP customers compared to the PUC's targeted energy burden for 2014 using the rates that will be in effect as of July 1, 2014. This memo provides a summary of the analyses that we conducted.

All analyses in this memo were conducted using 2013 electric usage data for customers who were enrolled in PECO's CAP in December 2013. The usage data were multiplied by current electric rates provided by PECO. Energy burden was obtained by using the following formula:

$$(\text{annual electric usage}) * (\text{2014 PECO electric prices}) / (\text{annual household income})$$

Table 1 displays the electric rates provided by PECO that are used in the analyses included in this memo. The Non CAP rates are used in the analyses to demonstrate the discount that is needed off the full electric bill.

**Table 1**  
**PECO 2014 Electric Rates, as of July 1, 2014**

|   | Rate R    | Rate RH – Electric Heat |           |
|---|-----------|-------------------------|-----------|
| <b>Fixed Distribution Service Charge</b>    | \$7.13    | \$7.13                  |           |
|   |           | Winter                  | Summer    |
| <b>Transmission Charge</b>                  | \$ 0.0072 | \$ 0.0072               | \$ 0.0072 |
| <b>Variable Distribution Service Charge</b> | \$ 0.0604 | \$ 0.0410               | \$ 0.0604 |
| <b>Energy and Capacity Charge</b>           | \$ 0.0786 | \$ 0.0786               | \$ 0.0786 |
| <b>Total Cost per kWh</b>                   | \$ 0.1462 | \$ 0.1268               | \$ 0.1462 |

Table 2 displays the current PUC target burden levels and the proposed target burden levels by poverty group.

**Table 2  
 PUC Target Burden Levels**

| <b>Rate R</b>        |  |   |
|----------------------|--|---|
| <b>Poverty Level</b> | <b>Current PUC Electric Energy Burden Target</b> | <b>Proposed PUC Electric Energy Burden Target</b> |
| <b>&lt;=25%</b>      | 2%-5%  | 4%  |
| <b>26% - 50%</b>     | 2%-5%  | 4%  |
| <b>51% - 75%</b>     | 4%-6%  | 4%  |
| <b>76% - 100%</b>    | 4%-6%  | 4%  |
| <b>101% - 125%</b>   | 6%-7%  | 4%  |
| <b>126% - 150%</b>   | 6%-7%  | 4%  |
| <b>Rate RH</b>       |  |   |
| <b>Poverty Level</b> | <b>Current PUC Electric Energy Burden Target</b> | <b>Proposed PUC Electric Energy Burden Target</b> |
| <b>&lt;=25%</b>      | 7%-13%   | 10%   |
| <b>26% - 50%</b>     | 7%-13%   | 10%   |
| <b>51% - 75%</b>     | 11%-16%  | 10%   |
| <b>76% - 100%</b>    | 11%-16%  | 10%   |
| <b>101% - 125%</b>   | 15%-17%  | 10%   |
| <b>126% - 150%</b>   | 15%-17%  | 10%   |

Table 3 displays the number of electric CAP customers as of December 2013 by poverty group. The table shows that there were approximately 139,500 electric CAP customers. Approximately 111,500 of these customers were included in the analyses that are summarized in the following tables, providing for a very robust analysis of customers' need for bill assistance.

**Table 3  
 CAP Poverty Levels**

| <b>Poverty Level</b> | <b>Electric CAP Accounts</b> |
|----------------------|------------------------------|
| <b>&lt;=25%</b>      | 16,339                       |
| <b>26 to 50%</b>     | 15,623                       |
| <b>51 to 75%</b>     | 26,784                       |
| <b>76 to 100%</b>    | 38,026                       |
| <b>101 to 125%</b>   | 22,047                       |

| Poverty Level | Electric CAP Accounts |
|---------------|-----------------------|
| 126 to 150%   | 16,669                |
| >150%         | 3,685                 |
| Missing       | 293                   |
| <b>TOTAL</b>  | <b>139,466</b>        |

Table 4A displays the discount off the 2014 non-discounted electric rates needed by each poverty group to reach the PUC target. The highest value in the energy burden target range is used as the target. For example, the target burden range is 7%-13% for RH customers with income at or below 50 percent of the poverty level. Tables 4A through Table 5 show the discount off the 2014 non-discounted electric rates needed to reach a 13 percent burden for that group.

The percentage shown is the percentage discount off the total monthly bill that is needed to achieve either the targeted PUC burden level or the targeted PUC minimum payment. Minimum payments of \$12 per month for non-heating and \$12 per month in the summer and \$30 per month in the winter for heating customers are included in these calculations. The table shows that 22 percent of rate R (non-heating) customers with income below 25 percent of the poverty level need a discount of 90 percent or more to reach the current PUC targeted energy burden level and 61 percent of these households need a discount of 75 percent to 90 percent to reach their targeted energy burden. The table shows that 94 percent of rate RH customers with income between 126 and 150 percent of the poverty level do not need a discount to reach their targeted energy burden level.

**Table 4A**  
**Projected PECO Electric Discount Needed**  
**Off July 2014 Full Electric Rates**  
**Current PUC Energy Burden Targets**

| <b>Rate R (Minimum is \$12/Month)</b> |  |                |                |                |                |                |             |
|---------------------------------------|--|----------------|----------------|----------------|----------------|----------------|-------------|
| <b>Poverty Level</b>                  | <b>Percent of Customers With Each Level of Discount Off Full July 2014 Rate Needed to Achieve PUC Target</b> |                |                |                |                |                |             |
|                                       | <b>0%</b>  | <b>&lt;10%</b> | <b>10%-25%</b> | <b>25%-50%</b> | <b>50%-75%</b> | <b>75%-90%</b> | <b>90%+</b> |
| <b>&lt;=25%</b>                       | <1%  | <1%            | <1%            | 1%             | 15%            | 61%            | 22%         |
| <b>26% - 50%</b>                      | 1%   | <1%            | 1%             | 10%            | 49%            | 36%            | 2%          |
| <b>51% - 75%</b>                      | 11%  | 5%             | 11%            | 32%            | 37%            | 5%             | <1%         |
| <b>76% - 100%</b>                     | 24%  | 7%             | 14%            | 30%            | 23%            | 2%             | <1%         |
| <b>101% - 125%</b>                    | 60%  | 8%             | 12%            | 15%            | 5%             | <1%            | 0%          |
| <b>126% - 150%</b>                    | 75%  | 6%             | 8%             | 8%             | 2%             | <1%            | 0%          |

| <b>Rate RH (Minimum is \$30/Month for Winter and \$12/Month for Summer)</b> |  |                |                |                |                |                |             |
|---|--|----------------|----------------|----------------|----------------|----------------|-------------|
| <b>Poverty Level</b>  | <b>Percent of Customers With Each Level of Discount Off Full July 2014 Rate Needed to Achieve PUC Target</b> |                |                |                |                |                |             |
|   | <b>0%</b>  | <b>&lt;10%</b> | <b>10%-25%</b> | <b>25%-50%</b> | <b>50%-75%</b> | <b>75%-90%</b> | <b>90%+</b> |
| <b>&lt;=25%</b>   | 1%   | <1%            | 1%             | 5%             | 32%            | 51%            | 9%          |
| <b>26% - 50%</b>  | 7%   | 3%             | 7%             | 26%            | 48%            | 10%            | 0%          |
| <b>51% - 75%</b>  | 45%  | 8%             | 15%            | 23%            | 9%             | <1%            | 0%          |
| <b>76% - 100%</b>   | 70%  | 7%             | 9%             | 11%            | 4%             | <1%            | 0%          |
| <b>101% - 125%</b>  | 88%  | 3%             | 5%             | 4%             | <1%            | 0%             | 0%          |
| <b>126% - 150%</b>  | 94%  | 2%             | 2%             | 2%             | <1%            | 0%             | 0%          |

Table 4B displays the discount off the 2014 non-discounted electric rates needed by each poverty group to reach the PUC target. The table shows that the same data as in 4A, except that the discount needed is separated into five percent increments to allow for a more detailed analysis.

**Table 4B**  
**Projected PECO Electric Discount Needed**  
**Off July 2014 Full Electric Rates**  
**PUC Energy Burden Targets**  
**By 5 Percentage Point Increments**

| Poverty Level |  | Rate R (Minimum is \$12/Month)  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |      |      |       |
|---------------|--|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|------|-------|
|               |  | Percent of Customers With Each Level of Discount Off Full July 2014 Rate Needed to Achieve PUC Target |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |      |      |       |
|               |  | 0%  | <1% | 1%  | 5%  | 10% | 15% | 20% | 25% | 30% | 35% | 40% | 45% | 50% | 55% | 60% | 65% | 70% | 75% | 80% | 85% | 90%  | 95%  | >=95% |
| ≤25%          |  | <1%   | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | <1% | 1%  | 1%  | 2%  | 4%  | 7%  | 13% | 21% | 27%  | 20%  | 2%    |
| 26% - 50%     |  | 1%  | <1% | <1% | 1%  | 2%  | 3%  | 4%  | 5%  | 6%  | 7%  | 8%  | 9%  | 12% | 15% | 16% | 13% | 8%  | 2%  | 3%  | 2%  | 1%   | <1%  | 0%    |
| 51% - 75%     |  | 11%   | 2%  | 3%  | 4%  | 5%  | 6%  | 7%  | 8%  | 8%  | 6%  | 5%  | 4%  | 3%  | 2%  | 1%  | 1%  | 1%  | 3%  | 2%  | 1%  | <1%  | <1%  | 0%    |
| 76% - 100%    |  | 24%   | 3%  | 4%  | 4%  | 4%  | 4%  | 4%  | 5%  | 6%  | 6%  | 6%  | 6%  | 6%  | 6%  | 6%  | 5%  | 4%  | 3%  | 2%  | 1%  | <1%  | <1%  | 0%    |
| 101% - 125%   |  | 60%   | 4%  | 4%  | 4%  | 4%  | 4%  | 4%  | 4%  | 3%  | 3%  | 3%  | 2%  | 2%  | 1%  | 1%  | 1%  | 1%  | <1% | <1% | <1% | <1%  | 0%   | 0%    |
| 126% - 150%   |  | 75%   | 3%  | 3%  | 3%  | 3%  | 3%  | 2%  | 2%  | 2%  | 2%  | 2%  | 1%  | 1%  | 1%  | 1%  | <1% | <1% | <1% | <1% | <1% | 0%   | 0%   | 0%    |
| Poverty Level |  | Rate RH (Minimum is \$30/Month for Winter and \$12/Month for Summer)                                  |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |      |      |       |
|               |  | Percent of Customers With Each Level of Discount Off Full July 2014 Rate Needed to Achieve PUC Target |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |      |      |       |
|               |  | 0%  | <1% | 1%  | 5%  | 10% | 15% | 20% | 25% | 30% | 35% | 40% | 45% | 50% | 55% | 60% | 65% | 70% | 75% | 80% | 85% | 90%  | 95%  | >=95% |
| ≤25%          |  | 1%  | <1% | <1% | <1% | <1% | <1% | <1% | <1% | 1%  | 1%  | 1%  | 2%  | 3%  | 4%  | 6%  | 8%  | 10% | 14% | 20% | 27% | 18%  | 9%   | <1%   |
| 26% - 50%     |  | 7%  | 1%  | 2%  | 2%  | 2%  | 2%  | 2%  | 3%  | 5%  | 8%  | 12% | 17% | 23% | 30% | 38% | 47% | 57% | 68% | 80% | 93% | 107% | 121% | 0%    |
| 51% - 75%     |  | 45%   | 4%  | 4%  | 4%  | 4%  | 4%  | 4%  | 5%  | 6%  | 6%  | 6%  | 6%  | 6%  | 6%  | 6%  | 5%  | 4%  | 3%  | 2%  | 1%  | <1%  | <1%  | 0%    |
| 76% - 100%    |  | 70%   | 3%  | 3%  | 3%  | 3%  | 3%  | 3%  | 3%  | 3%  | 3%  | 3%  | 2%  | 2%  | 1%  | 1%  | 1%  | 1%  | <1% | <1% | <1% | <1%  | 0%   | 0%    |
| 101% - 125%   |  | 88%   | 2%  | 1%  | 1%  | 1%  | 1%  | 1%  | 1%  | 1%  | 1%  | 1%  | 1%  | 1%  | <1% | <1% | <1% | <1% | <1% | 0%  | 0%  | 0%   | 0%   | 0%    |
| 126% - 150%   |  | 94%   | 1%  | 1%  | 1%  | 1%  | 1%  | 1%  | 1%  | <1% | <1% | <1% | <1% | <1% | <1% | 0%  | 0%  | 0%  | 0%  | 0%  | 0%  | 0%   | 0%   | 0%    |

Table 5 separates out the customers that would receive the minimum payment amount instead of the discount, because the discount would take them below the \$12 per month minimum payment recommended for non-heating customers or the \$12 per month summer and \$30 per month winter minimum payment recommended for heating customers.

The table shows that 52 percent of rate R customers and 43 percent of rate RH customers with income less than or equal to 25 percent of the poverty level would need the minimum payment. There are also less than 1 percent of rate R customers with income between 26 and 50 percent of the poverty level who would need the minimum payment. However, there are no customers in the other income groups that would need the minimum payment.

**Table 5**  
**Projected PECO Electric Discount Needed**  
**Off July 2014 Full Electric Rates**  
**Current PUC Energy Burden Targets**  
**Minimum Payment Customers Separated Out**

| <b>Rate R (Minimum is \$12/Month)</b> |  |                |                |                |                |                |             |                        |
|---------------------------------------|--|----------------|----------------|----------------|----------------|----------------|-------------|------------------------|
| <b>Poverty Level</b>                  | <b>Percent of Customers With Each Level of Discount Off Full July 2014 Rate Needed to Achieve PUC Target</b> |                |                |                |                |                |             | <b>Minimum Payment</b> |
|                                       | <b>0%</b>  | <b>&lt;10%</b> | <b>10%-25%</b> | <b>25%-50%</b> | <b>50%-75%</b> | <b>75%-90%</b> | <b>90%+</b> |                        |
| <b>&lt;=25%</b>                       | <1%  | <1%            | <1%            | 1%             | 10%            | 31%            | 5%          | 52%                    |
| <b>26% - 50%</b>                      | 1%   | <1%            | 1%             | 10%            | 49%            | 36%            | 2%          | <1%                    |
| <b>51% - 75%</b>                      | 11%  | 5%             | 11%            | 32%            | 37%            | 5%             | <1%         | 0%                     |
| <b>76% - 100%</b>                     | 24%  | 7%             | 14%            | 30%            | 23%            | 2%             | <1%         | 0%                     |
| <b>101% - 125%</b>                    | 60%  | 8%             | 12%            | 15%            | 5%             | <1%            | 0%          | 0%                     |
| <b>126% - 150%</b>                    | 75%  | 6%             | 8%             | 8%             | 2%             | <1%            | 0%          | 0%                     |

| <b>Rate RH (Minimum is \$30/Month for Winter and \$12/Month for Summer)</b> |  |                |                |                |                |                |             |                        |
|---|--|----------------|----------------|----------------|----------------|----------------|-------------|------------------------|
| <b>Poverty Level</b>  | <b>Percent of Customers With Each Level of Discount Off Full July 2014 Rate Needed to Achieve PUC Target</b> |                |                |                |                |                |             | <b>Minimum Payment</b> |
|   | <b>0%</b>  | <b>&lt;10%</b> | <b>10%-25%</b> | <b>25%-50%</b> | <b>50%-75%</b> | <b>75%-90%</b> | <b>90%+</b> |                        |
| <b>&lt;=25%</b>   | 1%   | <1%            | 1%             | 4%             | 25%            | 24%            | 1%          | 43%                    |
| <b>26% - 50%</b>  | 7%   | 3%             | 7%             | 26%            | 48%            | 10%            | 0%          | 0%                     |
| <b>51% - 75%</b>  | 45%  | 8%             | 15%            | 23%            | 9%             | <1%            | 0%          | 0%                     |
| <b>76% - 100%</b>   | 70%  | 7%             | 9%             | 11%            | 4%             | <1%            | 0%          | 0%                     |
| <b>101% - 125%</b>  | 88%  | 3%             | 5%             | 4%             | <1%            | 0%             | 0%          | 0%                     |
| <b>126% - 150%</b>  | 94%  | 2%             | 2%             | 2%             | <1%            | 0%             | 0%          | 0%                     |

Table 6 displays the discount off the 2014 non-discounted electric rates needed by each poverty group to reach the proposed PUC energy burden targets. The percentage shown is the

percentage discount off the total monthly bill that is needed to achieve either the targeted PUC burden level or the targeted PUC minimum payment. Minimum payments of \$12 per month for non-heating and \$12 per month in the summer and \$30 per month in the winter for heating customers are included in these calculations. The table shows that 26 percent of rate R customers with income at or below 25 percent of the poverty level would need a discount of 90 percent or more and 62 percent would need a discount of 75 percent to 90 percent to reach the targeted energy burden level. The table shows that 71 percent of rate RH customers with income between 126 and 150 percent of the poverty level would not need a discount to reach the targeted energy burden level.

**Table 6**  
**Projected PECO Electric Discount Needed**  
**Off July 2014 Full Electric Rates**  
**Proposed PUC Energy Burden Targets**

| <b>Rate R (Minimum is \$12/Month)</b> |   |                |                |                |                |                |             |
|---------------------------------------|---|----------------|----------------|----------------|----------------|----------------|-------------|
| <b>Targeted Energy Burden is 4%</b>   |   |                |                |                |                |                |             |
| <b>Poverty Level</b>                  | <b>Percent of Customers With Each Level of Discount</b>     |                |                |                |                |                |             |
|                                       | <b>Off Full July 2014 Rate Needed to Achieve PUC Target</b> |                |                |                |                |                |             |
|                                       | <b>0%</b>   | <b>&lt;10%</b> | <b>10%-25%</b> | <b>25%-50%</b> | <b>50%-75%</b> | <b>75%-90%</b> | <b>90%+</b> |
| <b>&lt;=25%</b>                       | <1%   | <1%            | <1%            | 1%             | 10%            | 62%            | 26%         |
| <b>26% - 50%</b>                      | 1%  | <1%            | 1%             | 5%             | 38%            | 51%            | 5%          |
| <b>51% - 75%</b>                      | 2%  | 1%             | 4%             | 19%            | 52%            | 21%            | 1%          |
| <b>76% - 100%</b>                     | 6%  | 3%             | 8%             | 28%            | 44%            | 11%            | <1%         |
| <b>101% - 125%</b>                    | 17%   | 6%             | 13%            | 34%            | 27%            | 3%             | <1%         |
| <b>126% - 150%</b>                    | 31%   | 9%             | 15%            | 28%            | 16%            | 1%             | <1%         |

| <b>Rate RH (Minimum is \$30/Month for Winter and \$12/Month for Summer)</b> |   |                |                |                |                |                |             |
|---|---|----------------|----------------|----------------|----------------|----------------|-------------|
| <b>Targeted Energy Burden is 10%</b>  |   |                |                |                |                |                |             |
| <b>Poverty Level</b>  | <b>Percent of Customers With Each Level of Discount</b>     |                |                |                |                |                |             |
|   | <b>Off Full July 2014 Rate Needed to Achieve PUC Target</b> |                |                |                |                |                |             |
|   | <b>0%</b>   | <b>&lt;10%</b> | <b>10%-25%</b> | <b>25%-50%</b> | <b>50%-75%</b> | <b>75%-90%</b> | <b>90%+</b> |
| <b>&lt;=25%</b>   | 1%  | <1%            | 1%             | 3%             | 23%            | 61%            | 12%         |
| <b>26% - 50%</b>  | 4%  | 1%             | 3%             | 17%            | 51%            | 24%            | <1%         |
| <b>51% - 75%</b>  | 17%   | 4%             | 11%            | 30%            | 34%            | 3%             | 0%          |
| <b>76% - 100%</b>   | 35%   | 7%             | 15%            | 26%            | 17%            | 1%             | 0%          |
| <b>101% - 125%</b>  | 55%   | 7%             | 14%            | 16%            | 7%             | <1%            | 0%          |
| <b>126% - 150%</b>  | 71%   | 7%             | 9%             | 10%            | 3%             | 0%             | 0%          |

For the proposed PUC burden targets, Table 7 separates out the customers that would receive the minimum payment amount instead of the discount, because the discount would take them below the \$12 per month minimum payment recommended for non-heating customers or the \$12 per month summer and \$30 per month winter minimum payment recommended for heating customers. The table shows that 57 percent of rate R customers with income at or below 25

percent of the poverty level would need the minimum payment and 59 percent of rate RH customers would need the minimum payment.

**Table 7**  
**Projected PECO Electric Discount Needed**  
**Off July 2014 Full Electric Rates**  
**Proposed PUC Energy Burden Targets**  
**Minimum Payment Customers Separated Out**

| <b>Rate R (Minimum is \$12/Month)</b> |   |                |                |                |                |                |             |                        |
|---------------------------------------|---|----------------|----------------|----------------|----------------|----------------|-------------|------------------------|
| <b>Targeted Energy Burden is 4%</b>   |   |                |                |                |                |                |             |                        |
| <b>Poverty Level</b>                  | <b>Percent of Customers With Each Level of Discount</b>     |                |                |                |                |                |             | <b>Minimum Payment</b> |
|                                       | <b>Off Full July 2014 Rate Needed to Achieve PUC Target</b> |                |                |                |                |                |             |                        |
|                                       | <b>0%</b>   | <b>&lt;10%</b> | <b>10%-25%</b> | <b>25%-50%</b> | <b>50%-75%</b> | <b>75%-90%</b> | <b>90%+</b> |                        |
| <b>&lt;=25%</b>                       | <1%   | <1%            | <1%            | <1%            | 5%             | 29%            | 8%          | 57%                    |
| <b>26% - 50%</b>                      | 1%  | <1%            | 1%             | 5%             | 37%            | 49%            | 4%          | 3%                     |
| <b>51% - 75%</b>                      | 2%  | 1%             | 4%             | 19%            | 52%            | 21%            | 1%          | 0%                     |
| <b>76% - 100%</b>                     | 6%  | 3%             | 8%             | 28%            | 44%            | 11%            | <1%         | 0%                     |
| <b>101% - 125%</b>                    | 17%   | 6%             | 13%            | 34%            | 27%            | 3%             | <1%         | 0%                     |
| <b>126% - 150%</b>                    | 31%   | 9%             | 15%            | 28%            | 16%            | 1%             | <1%         | 0%                     |

| <b>Rate RH (Minimum is \$30/Month for Winter and \$12/Month for Summer)</b> |   |                |                |                |                |                |             |                        |
|---|---|----------------|----------------|----------------|----------------|----------------|-------------|------------------------|
| <b>Targeted Energy Burden is 10%</b>  |   |                |                |                |                |                |             |                        |
| <b>Poverty Level</b>  | <b>Percent of Customers With Each Level of Discount</b>     |                |                |                |                |                |             | <b>Minimum Payment</b> |
|   | <b>Off Full July 2014 Rate Needed to Achieve PUC Target</b> |                |                |                |                |                |             |                        |
|   | <b>0%</b>   | <b>&lt;10%</b> | <b>10%-25%</b> | <b>25%-50%</b> | <b>50%-75%</b> | <b>75%-90%</b> | <b>90%+</b> |                        |
| <b>&lt;=25%</b>   | <1%   | <1%            | <1%            | 1%             | 13%            | 24%            | 2%          | 59%                    |
| <b>26% - 50%</b>  | 4%  | 1%             | 3%             | 17%            | 51%            | 24%            | <1%         | 0%                     |
| <b>51% - 75%</b>  | 17%   | 4%             | 11%            | 30%            | 34%            | 3%             | 0%          | 0%                     |
| <b>76% - 100%</b>   | 35%   | 7%             | 15%            | 26%            | 17%            | 1%             | 0%          | 0%                     |
| <b>101% - 125%</b>  | 55%   | 7%             | 14%            | 16%            | 7%             | <1%            | 0%          | 0%                     |
| <b>126% - 150%</b>  | 71%   | 7%             | 9%             | 10%            | 3%             | 0%             | 0%          | 0%                     |

# ATTACHMENT 3

**PECO - Electric Operations**  
**Updated CAP Discount Calculation using APPRISE Study Data (a)**  
**Effective July 1, 2014**

**CAP A/B - R 90%**  
Poverty Level: <= 25%

$$\frac{20 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{4.00 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{aligned} & 20 \% \text{ Total Cap population to be 100\% compliant} \\ - & \underline{8 \% \text{ Acceptable non-compliant \%}} \\ & 12 \% \text{ Additional CAP population to cover} \end{aligned}$$

$$\frac{12 \%}{4.00 \%} = 3 \% \text{ points}$$

$$\begin{aligned} & 3.0 \% \text{ points Discount} \\ + & \underline{89.0 \% \text{ Base Discount}} \\ & 92.0 \% \end{aligned}$$

**92 % Total Discount**

**CAP C - R 90%**  
Poverty Level: 26% - 50%

$$\frac{8 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{1.60 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{aligned} & 8 \% \text{ Total Cap population to be 100\% compliant} \\ - & \underline{7 \% \text{ Acceptable non-compliant \%}} \\ & 1 \% \text{ Additional CAP population to cover} \end{aligned}$$

$$\frac{1 \%}{1.60 \%} = 0.6 \% \text{ points}$$

$$\begin{aligned} & 0.6 \% \text{ points Discount} \\ + & \underline{84.0 \% \text{ Base Discount}} \\ & 84.6 \% \end{aligned}$$

**85 % Total Discount**

**CAP D - R 88%**  
Poverty Level: 51% - 75%

$$\frac{5 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{1.00 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{aligned} & 5 \% \text{ Total Cap population to be 100\% compliant} \\ - & \underline{5 \% \text{ Acceptable non-compliant \%}} \\ & 0 \% \text{ Additional CAP population to cover} \end{aligned}$$

$$\frac{0 \%}{1.00 \%} = 0.0 \% \text{ points}$$

$$\begin{aligned} & 0.0 \% \text{ points Discount} \\ + & \underline{69.0 \% \text{ Base Discount}} \\ & 69.0 \% \end{aligned}$$

**69 % Total Discount**

(a) Based on CAP Affordability Targets per Settlement (Exhibit 4) providing for CAP Tiers A, B, and C to target 90% and CAP Tiers D, D1, E, and E1 to target 88%.

**PECO - Electric Operations**  
**Updated CAP Discount Calculation using APPRISE Study Data (a)**  
**Effective July 1, 2014**

**CAP D1 - R 88%**

Poverty Level: 76% - 100%

$$\frac{5\% \text{ Block}}{5\% \text{ points of discount}} = \frac{1.00\% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 5\% \text{ Total Cap population to be 100\% compliant} \\ - 1\% \text{ Acceptable non-compliant \%} \\ \hline 4\% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{4\%}{1.00\%} = 4.0\% \text{ points}$$

$$\begin{array}{r} 4.0\% \text{ points Discount} \\ + 59.0\% \text{ Base Discount} \\ \hline 63.0\% \end{array}$$

**63 % Total Discount**

**CAP E - R 88%**

Poverty Level: 101% - 125%

$$\frac{3\% \text{ Block}}{5\% \text{ points of discount}} = \frac{0.60\% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 3\% \text{ Total Cap population to be 100\% compliant} \\ - 3\% \text{ Acceptable non-compliant \%} \\ \hline 0\% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{0\%}{0.60\%} = 0.0\% \text{ points}$$

$$\begin{array}{r} 0.0\% \text{ points Discount} \\ + 39.0\% \text{ Base Discount} \\ \hline 39.0\% \end{array}$$

**39 % Total Discount**

**CAP E1 - R 88%**

Poverty Level: 126% - 150%

$$\frac{2\% \text{ Block}}{5\% \text{ points of discount}} = \frac{0.40\% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 2\% \text{ Total Cap population to be 100\% compliant} \\ - 1\% \text{ Acceptable non-compliant \%} \\ \hline 1\% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{1\%}{0.40\%} = 2.5\% \text{ points}$$

$$\begin{array}{r} 2.5\% \text{ points Discount} \\ + 24.0\% \text{ Base Discount} \\ \hline 26.5\% \end{array}$$

**27 % Total Discount**

(a) Based on CAP Affordability Targets per Settlement (Exhibit 4) providing for CAP Tiers A, B, and C to target 90% and CAP Tiers D, D1, E, and E1 to target 88%.

**PECO - Electric Operations**  
**Updated CAP Discount Calculation using APPRISE Study Data (a)**  
**Effective July 1, 2014**

**CAP A/B - RH      90%**  
Poverty Level: <= 25%

$$\frac{9\% \text{ Block}}{5\% \text{ points of discount}} = \frac{1.80\% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 9\% \text{ Total Cap population to be 100\% compliant} \\ - 9\% \text{ Acceptable non-compliant \%} \\ \hline 0\% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{0\%}{1.80\%} = 0.0\% \text{ points}$$

$$\begin{array}{r} 0.0\% \text{ points Discount} \\ + 89.0\% \text{ Base Discount} \\ \hline 89.0\% \end{array}$$

**89 % Total Discount**

**CAP C - RH      90%**  
Poverty Level: 26% - 50%

$$\frac{6\% \text{ Block}}{5\% \text{ points of discount}} = \frac{1.20\% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 6\% \text{ Total Cap population to be 100\% compliant} \\ - 6\% \text{ Acceptable non-compliant \%} \\ \hline 0\% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{0\%}{1.20\%} = 0.0\% \text{ points}$$

$$\begin{array}{r} 0.0\% \text{ points Discount} \\ + 74.0\% \text{ Base Discount} \\ \hline 74.0\% \end{array}$$

**74 % Total Discount**

**CAP D - RH      88%**  
Poverty Level: 51% - 75%

$$\frac{4\% \text{ Block}}{5\% \text{ points of discount}} = \frac{0.80\% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 4\% \text{ Total Cap population to be 100\% compliant} \\ - 2\% \text{ Acceptable non-compliant \%} \\ \hline 2\% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{2\%}{0.80\%} = 2.5\% \text{ points}$$

$$\begin{array}{r} 2.5\% \text{ points Discount} \\ + 44.0\% \text{ Base Discount} \\ \hline 46.5\% \end{array}$$

**47 % Total Discount**

(a) Based on CAP Affordability Targets per Settlement (Exhibit 4) providing for CAP Tiers A, B, and C to target 90% and CAP Tiers D, D1, E, and E1 to target 88%.

## PECO - Electric Operations

### Updated CAP Discount Calculation using APPRISE Study Data (a)

#### Effective July 1, 2014

**CAP D1 - RH      88%**

Poverty Level: 76% - 100%

$$\frac{3 \% \text{ Block}}{5 \% \text{ points of discount}} = \frac{0.60 \% \text{ of population}}{\text{ea. } 1\% \text{ of additional discount}}$$

$$\begin{array}{r} 3 \% \text{ Total Cap population to be 100\% compliant} \\ - 1 \% \text{ Acceptable non-compliant \%} \\ \hline 2 \% \text{ Additional CAP population to cover} \end{array}$$

$$\frac{2 \%}{0.60 \%} = 3.3 \% \text{ points}$$

$$\begin{array}{r} 3.3 \% \text{ points Discount} \\ + 29.0 \% \text{ Base Discount} \\ \hline 32.3 \% \end{array}$$

32 % Total Discount

**CAP E - RH      88%**

Poverty Level: 101% - 125%

0 % Total Discount

**CAP E1 - R      88%**

Poverty Level: 126% - 150%

0 % Total Discount

(a) Based on CAP Affordability Targets per Settlement (Exhibit 4) providing for CAP Tiers A, B, and C to target 90% and CAP Tiers D, D1, E, and E1 to target 88%.

# ATTACHMENT 4

**PECO Energy Company**

**Electric Service Tariff**

**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 June 19, 2014**

**Effective July 1, 2014**

**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**

**CAP Rider – Customer Assistance Program – 27<sup>th</sup> Revised Page No. 69 & 11<sup>th</sup> Revised Page No. 70**  
Reflects changes to CAP discounts as a result of the changes in the annual update to discount percentages.

**PECO Energy Company**

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**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. In addition, these customers will not be able to obtain Competitive Energy Supply.

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. In addition, these customers will not be able to obtain Competitive Energy Supply.

(C)

| 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</b>                        | 92%             | 85%           | 69%           | 63%            | 39%             | 27%             |
| <b>Max Discount Amount Winter Bill</b> |                 |               |               |                |                 |                 |
| <b>650 kWh</b>                         | \$93.90         | \$86.75       | \$70.42       | \$64.30        | \$39.80         | \$27.56         |
| <b>Max Discount Amount Jul - Sept</b>  |                 |               |               |                |                 |                 |
| <b>750 kWh</b>                         | \$107.34        | \$99.17       | N/A           | N/A            | N/A             | N/A             |
| <b>Max Discount Amount Jun - Sept</b>  |                 |               |               |                |                 |                 |
| <b>650 kWh</b>                         | N/A             | N/A           | \$70.42       | \$64.30        | \$39.80         | \$27.56         |
| <b>Max Discount Amount June</b>        |                 |               |               |                |                 |                 |
| <b>650 kWh</b>                         | \$93.90         | \$86.75       | 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              |

(C) Denotes Change

**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> |
| <b>Discount</b>                          | 89%             | 74%           | 47%           | 32%            | 0%              | 0%              |
| <b>Max Discount Amount Oct &amp; May</b> |                 |               |               |                |                 |                 |
| <b>650 kWh</b>                           | \$79.64         | \$66.22       | \$42.06       | \$28.63        | \$0.00          | \$0.00          |
| <b>Max Discount Amount Nov - Apr</b>     |                 |               |               |                |                 |                 |
| <b>1500 kWh</b>                          | \$175.50        | \$145.92      | \$92.68       | 63.10          | \$0.00          | \$0.00          |
| <b>Max Discount Amount Jul - Sept</b>    |                 |               |               |                |                 |                 |
| <b>750 kWh</b>                           | \$103.84        | \$86.34       | N/A           | N/A            | N/A             | N/A             |
| <b>Max Discount Amount Jun - Sept</b>    |                 |               |               |                |                 |                 |
| <b>650 kWh</b>                           | N/A             | N/A           | \$47.97       | \$32.66        | \$0.00          | \$0.00          |
| <b>Max Discount Amount June</b>          |                 |               |               |                |                 |                 |
| <b>650 kWh</b>                           | \$90.83         | \$75.52       | 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

(C) Denotes Change