



An Exelon Company

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PECO
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September 15, 2014

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

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

Dear Secretary Chiavetta:

PECO Energy is permitted to file quarterly adjustments to the Smart Meter Cost Recovery Surcharge Mechanism, which are allowed to go into effect on 15 days notice. As provided in the Commission's Final Order in Docket No. M-2009-2123944, the rate will only be updated if the rate changes by more than 5%. PECO has recalculated the rate and determined that it would change rates by less than 5%. Therefore, the Company will not be changing its Smart Meter Cost Recovery Surcharge on October 1, 2014.

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

Exhibit 1 – Smart Meter Projected Costs for October 1, 2014 to December 31, 2014

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

Please acknowledge receipt of the foregoing on the enclosed copy of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Webster".

Copies to:

C. Walker-Davis, Director, Office of Special Assistants
P. T. Diskin, Director, Bureau of Technical Utility Services
M. C. Lesney, Director, Bureau of Audits
J. E. Simms, Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick

**PECO Energy Smart Meter Project
Projected Costs for October 1, 2014 to December 31, 2014**

Smart Meter Cost Recovery (\$M)

Line		Forecast 4Q 2014		
		Oct	Nov	Dec
1	Period 4 (7/1/12 to 6/30/13) Overcollection	\$ (1.02)	\$ (1.02)	\$ (1.02)
2	2014 O&M to be Recovered	2.69	1.93	1.52
3	2014 Depreciation	2.73	2.75	2.78
4	2014 Capital Revenue Requirement	1.83	1.85	1.87
5	2014 Benefits/Avoided Costs	(1.93)	(2.23)	(2.43)
6	Total Revenue Requirement	\$ 4.30	\$ 3.29	\$ 2.72
7	Quarterly Revenue Requirement (\$M)	\$ 10.31		

Quarterly Revenue Requirement by class:

8	Res	\$ 9.37
9	SCI	\$ 0.91
10	LCI	\$ 0.03

Estimated Monthly Rate:

11	Res (¢/kWh)	0.32
12	SCI (\$/customer)	\$ 2.17
13	LCI (\$/customer)	\$ 3.36

PECO Energy Smart Meter Project
Projected Costs for October 1, 2014 to December 31, 2014

<u>Line</u>	<u>Estimated Monthly Rate:</u>	<u>In effect</u>	<u>In effect</u>	<u>In effect</u>	<u>In effect</u>	<u>Forecasted</u>
		<u>1Q 2014</u>	<u>2Q 2014</u>	<u>3Q 2014</u>	<u>4Q 2014</u>	<u>4Q 2014</u>
1	Res (¢/kWh)	0.33	0.33	0.33	0.33	0.32
2	SCI (\$/customer)	\$ 2.43	\$ 2.43	\$ 2.43	\$ 2.43	\$ 2.17
3	LCI (\$/customer)	\$ 3.63	\$ 3.63	\$ 3.63	\$ 3.63	\$ 3.36

		<u>%</u>	<u>change</u>
Average Customer total monthly bill with surcharge:			
4	Res (500 kWh usage)	\$ 85.56	\$ 78.43 (0.0010)
5	SCI (10,000 kWh usage)	\$ 1,250.87	\$ 1,130.87 (0.0002)
6	LCI (200,000 kWh usage)	\$ 18,923.11	\$ 18,523.11 (0.0000)