PECO
An Exelon Company

Richard G. Webster, Jr.
Vice President

PECO
Regulatory Policy and Strategy
2301 Market Street
S15
Philadelphia, PA 19103

Telephone 215.841.4000
Fax 215.841.6208
www.peco.com
dick.webster@peco-energy.com

March 27, 2015

VIA HAND DELIVERY

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: PECO Energy Company – General Base Rate Filing For Electric Operations
Docket No. R-2015-2468981

Dear Secretary Chiavetta:

INTRODUCTION AND CONTENTS OF THE FILING

Pursuant to Section 1308 of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 1308, enclosed for filing on behalf of PECO Energy Company ("PECO" or the "Company") is PECO's Tariff Electric – Pa. P.U.C. No. 5 ("Tariff No. 5"). Tariff No. 5 sets forth proposed rates designed to produce an increase in the Company's annual distribution revenue of approximately $190 million based on data for a fully projected future test year ending December 31, 2016. Tariff No. 5 also contains revisions in, additions to, and deletions from, certain Rules and Regulations, rate schedules and riders in the Company's currently effective tariff. Tariff No. 5 bears an issue date of March 27, 2015, and an effective date of May 26, 2015.

Along with Tariff No. 5, the Company is filing all the supporting data required by the Pennsylvania Public Utility Commission's ("PUC" or "Commission") regulations at 52 Pa. Code §§ 53.52 – 53.53, including the written direct testimony of eight witnesses, who are identified in PECO Statement No. 1, the Direct Testimony of Michael A. Innocenzo. A summary of the reasons for the proposed rate increase is set forth in the Company's Statement of Specific Reasons for Proposed Increase in Electric Rates.

The Company is filing one complete hard copy and one electronic copy, on the enclosed CD, of its entire filing.

COUNSEL OF RECORD AND SERVICE ON THE COMPANY

PECO will be represented by the following counsel in this proceeding:

Romulo L. Diaz, Jr.
Jack R. Garfinkle
W. Craig Williams
PECO Energy Company
2301 Market Street
P.O. Box 8699
Philadelphia, PA 19101-8699
Phone: 215.841.4608
Fax: 215.568.3389
romulo.diaz@exeloncorp.com
jack.garfinkle@exeloncorp.com
craig.williams@exeloncorp.com

Thomas P. Gadsden
Anthony C. DeCusatis
Brooke E. McGlinn
Catherine G. Vasudevan
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103
215.963.5234 (dir)
215.953.5001 (fax)
tgadsden@morganlewis.com
adecusatis@morganlewis.com
bmcglinn@morganlewis.com
cvasudevan@morganlewis.com

PECO's attorneys are authorized to accept service on behalf of the Company in this proceeding. PECO requests that the Commission and all parties serve copies of all documents in this proceeding on its attorneys.

USE OF ALTERNATIVE METHOD OF CUSTOMER NOTIFICATION

PECO hereby advises the Commission that it has elected to use the alternative method of customer notification set forth in the Commission's regulations at 52 Pa. Code § 53.45(b)(4). Consequently, as required by that regulation, PECO will notify its customers of the proposed rate increase through bill inserts along with paid advertisements in major local newspapers.[1] PECO also agrees to extend from 60 to 90 days the minimum period within which the filing of a complaint places the burden of proof upon the Company with respect to proposed rates, pursuant to 52 Pa. Code § 53.45(b)(4)(vi).

[1] In addition, PECO is posting notice of this filing at its Company headquarters pursuant to 52 Pa. Code § 53.45(b)(1), posting the filing to its website, and issuing a news release describing the proposed changes to local newspapers, radio and television stations pursuant to 52 Pa. Code § 53.45(b)(2).

REQUEST FOR CONFIDENTIAL TREATMENT OF PROPRIETARY INFORMATION

Certain Company responses to Commission filing requirements contain information that PECO considers to be proprietary and confidential. These pages have been marked ***Confidential,*** are enclosed in separate envelopes and have not been included in the electronic version of the filing.

PECO requests that the copies of the material that have been marked ***Confidential*** and are contained in the envelopes similarly marked ***Confidential*** be treated confidentially by the Commission, including its various Offices and Bureaus. In particular, the Company requests that the ***Confidential*** material be excluded from the Commission's public document folder and not otherwise be disclosed to the public. PECO intends to request the entry of an appropriate Protective Order from the presiding Administrative Law Judge(s) to maintain the confidentiality of such material if it is to be provided to parties in this case.

CERTIFICATE OF SERVICE

As indicated on the attached Certificate of Service, the Company has served copies of this filing on the Commission's Bureau of Investigation and Enforcement, the Office of Consumer Advocate, and the Office of Small Business Advocate. The Company is also providing courtesy copies of the filing to the Commission's Law Bureau, Office of Special Assistants, and Bureau of Technical Utility Services.

Respectfully submitted,

RGW

Richard G. Webster, Jr.

Enclosures

cc: Certificate of Service (w/encls.)
Robert F. Powelson, Chairman (w/encls.)
John F. Coleman, Jr., Vice Chairman (w/encls.)
James H. Cawley, Commissioner (w/encls.)
Pamela A. Witmer, Commissioner (w/encls.)
Gladys M. Brown, Commissioner (w/encls.)

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

PECO ENERGY COMPANY -	**:**	**DOCKET NO. R-2015-2468981**
GENERAL BASE RATE FILING FOR	**:**	
ELECTRIC OPERATIONS	:	

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the **PECO Energy Company's General Base Rate Filing For Electric** Operations on the following persons in the matter specified in accordance with the requirements of 52 Pa. Code § 1.54:

VIA HAND DELIVERY

Tanya J. McCloskey
Acting Consumer Advocate
Office of Consumer Advocate
Forum Place, 5th Floor
555 Walnut Street
Harrisburg, PA 17101-1923
tmccloskey@paoca.org

John R. Evans
Small Business Advocate
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101
jorevan@pa.gov

Johnnie E. Simms
Bureau of Investigation & Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
josimms@pa.gov

Charis Mincavage
McNees Wallace & Nurick LLC
P.O. Box 1166
100 Pine Street
Harrisburg, PA 17108-1166
cmincavage@mwn.com

Harry S. Geller
Pennsylvania Utility Law Project
118 Locust Street
Harrisburg, PA 17101
pulp@palegalaid.net

VIA FIRST CLASS MAIL

Thu B. Tran
Robert W. Ballenger
Community Legal Services, Inc.
1424 Chestnut Street
Philadelphia, PA 19102
ttran@clsphila.org
rballenger@clsphila.org

W. Craig Williams

Romulo L. Diaz, Jr. (Pa. No. 88795)
Jack R. Garfinkle (Pa. No. 81892)
W. Craig Williams (Pa. No. 306405)
PECO Energy Company
2301 Market Street
Philadelphia, PA 19101
Phone: 215.841.4608
Fax: 215.568.3389
romulo.diaz@exeloncorp.com
jack.garfinkle@exeloncorp.com
craig.williams@exeloncorp.com

Thomas P. Gadsden (Pa. No. 28478)
Anthony C. DeCusatis (Pa. No. 25700)
Catherine G. Vasudevan (Pa. No. 210254)
Brooke E. McGlinn (Pa. No. 204918)
Morgan, Lewis & Bockius LLP
1701 Market Street
Philadelphia, PA 19103-2921
Phone: 215.963.5234
Fax: 215.963.5001
tgadsden@morganlewis.com

Counsel for PECO Energy Company

Date: March 27, 2015

PECO ENERGY 2015 ELECTRIC RATE CASE
DOCKET NO. R-2015-2468981

FILING INDEX

Volume I	**Cover Letter** **Index** **Statement of Specific Reasons** **Plain Language Statement of Reasons** **Section 53.52 Filing Requirements** **Customer Notice** **PECO Verification**
Volume II	**PECO Exhibit 1 (Proposed Tariff No. 5)**
Volume III	**PECO Statement No. 1: Direct Testimony of Michael A. Innocenzo** **PECO Statement No. 2: Direct Testimony of Phillip S. Barnett** • **PECO Exhibit PSB-1: BSC Operations and Maintenance Costs** **PECO Statement No. 3: Direct Testimony of Shuo Yin** • **PECO Exhibit SY-1: Principal Accounting Exhibit - FPFTY ended December 31, 2016** • **PECO Exhibit SY-2: Principal Accounting Exhibit - FTY ended December 31, 2015** • **PECO Exhibit SY-3: Principal Accounting Exhibit - HTY ended December 31, 2014**
Volume IV	**PECO Statement No. 4: Direct Testimony of Scott A. Bailey** • **PECO Exhibit SAB-1: Annual Accruals Related to Utility Plant in Service at December 31, 2014** • **PECO Exhibit SAB-2: Estimated Annual Depreciation Accruals Related to Utility Plant in Service for 2015** • **PECO Exhibit SAB-3: Estimated Annual Depreciation Accruals Related to Utility Plant in Service for 2016** • **PECO Exhibit SAB-4: 2013 Depreciation Study – Calculated Annual Depreciation Accruals Related to Electric and Common Plant as of December 31, 2013**
Volume V	**PECO Statement No. 5: Direct Testimony of Paul R. Moul** • **PECO Exhibit PRM-1: Cost of Capital and Fair Rate of Return** **PECO Statement No. 6: Direct Testimony of Alan B. Cohn** • **PECO Exhibit ABC-1: List of Prior Cases** • **PECO Exhibit ABC-2: Summary of Cost-of-Service Study Results**

- **PECO Exhibit ABC-3: Total Class Allocation - Revenue Requirement By Rate Class**
- **PECO Exhibit ABC-4: Revenue Requirement By Functional Classification**
- **PECO Exhibit ABC-5: Unitized Functionally Classified Revenue Requirement**
- **PECO Exhibit ABC-6: Customer-Related Revenue Requirement and Customer Charge**
- **PECO Exhibit ABC-7: Night Service Rider - Related Costs**
- **PECO Exhibit ABC-8: Development of External Allocation Factors**
- **PECO Exhibit ABC-9: Development of Unbundled Cash Working Capital Rate for the GSA**
- **PECO Exhibit ABC-10: Development of Unbundled Cash Working Capital Rate for the TSC**

Volume VI **PECO Statement No. 7: Direct Testimony of Scott A. Neumann**

- **PECO Exhibit SAN-1: Proposed Revenue Allocation, Net Income, and Return at Proposed Rates**
- **PECO Exhibit SAN-2: Relevant Tariff Pages (Blackline)**
- **PECO Exhibit SAN-3: Comparison of Residential Customer Charges for Pennsylvania Electric Utilities**
- **PECO Exhibit SAN-4: Present and Proposed Night Service Rider Rates**
- **PECO Exhibit SAN-5: : Detail Of The Accumulated CAP In-Program Arrearage Balance at October 31, 2016**
- **PECO Exhibit SAN-6: Summary of Revenue at Present and Proposed Rates**
- **PECO Exhibit SAN-7: Proof of Revenues at Present and Proposed Rates**

PECO Statement No. 8: Direct Testimony of Richard A. Schlesinger

- **PECO Exhibit RAS-1: Allocation of 2016 Smart Meter Costs**
- **PECO Exhibit RAS-2: 2016 Smart Meter Costs Base Rates Roll In**

Volume VII **Section 53.53 – General Description of Utility Operations / Primary Statements of Rate Base and Operating Income**

I-A-1 through II-E-2

Volume VIII	**Section 53.53 – Rate of Return** **III-A-1 through III-F-4**
	Section 53.53 – Rate Structure and Cost Allocation / Plant and Depreciation Supporting Data, Including Related Depreciation Study Report / Unadjusted Comparative Balance Sheets and Operating Income Statements **IV-A-1 through IV-E-2** **V-A-1 through V-E-1** **VI Statements A-B**
Volume IX	**Supplemental Data Responses – Cost of Service** **SDR-COS-1 through SDR-COS-16**
	Supplemental Data Responses – General / Depreciation **SDR-DEP-1 through SDR-DEP-4** **SDR-GEN-1 through SDR-GEN-3**
Volume X	**Supplemental Data Responses – O&M Expenses** **SDR-OM-1 through SDR-OM-44**
Volume XI	**Supplemental Data Responses – Rate Base / Rate of Return** **SDR-RB-1 through SDR-RB-24** **SDR-ROR-1 through SDR-ROR-23**
	Supplemental Data Responses – Revenue Requirement / Taxes **SDR-RR-1 through SDR-RR-7** **SDR-TAX-1 through SDR-TAX-10**

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PECO ENERGY COMPANY

STATEMENT OF SPECIFIC REASONS FOR PROPOSED INCREASE IN ELECTRIC RATES

PECO Energy Company ("PECO" or the "Company") is filing to increase its electric delivery rates by approximately $190 million, or 4.4% on the basis of total Pennsylvania jurisdictional operating revenue. In accordance with Section 1308 of the Public Utility Code, the tariff setting forth the Company's proposed rates bears an effective date of May 26, 2015. However, the Company anticipates that its requested increase will be suspended and investigated by the Pennsylvania Public Utility Commission ("PUC" or the "Commission") and, therefore, the Company does not expect that new Commission-approved rates will become effective until approximately January 1, 2016. The reasons for the Company's proposed increase are summarized below.

Rate Increase

PECO last filed for an increase in electric base rates in March 2010.[1] Over the period of 2011-2014, PECO has invested approximately $1.5 billion in new and replacement electric distribution plant and is planning to invest approximately an additional $700 million in new and replacement electric distribution plant in years 2015 and 2016; has granted its employees annual wage and salary adjustments; has experienced the effects of inflation on material and contracting costs; and has incurred higher costs for storm damage and remediation.

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[1] *PECO Energy Company General Base Rate Filing for Electric Operations* , Docket No. R-2010-2161575, filed on March 31, 2010.

During this period, PECO has also made concerted efforts to control discretionary spending through operational improvements arising from, among other things, the deployment of new technologies, the productivity of our workforce, the implementation of best practices, and competitive-procurement policies and benchmarking. Indeed, since the Company's electric distribution rate case nearly five years ago, PECO's operating costs (exclusive of required energy-efficiency and smart-meter spending) have increased by a compound annual growth rate of less than one percent, well below the rate of inflation during that period. Notwithstanding PECO's aggressive cost-containment and management efforts, after 5 years, based on PECO's review of current and projected financial results, an increase in electric-delivery revenues is needed and cannot be achieved without an increase in rates. In fact, the Company's overall load growth from 2011 to 2014 has declined by 0.6% on a compound annual basis, with declines occurring in all customer segments.

Absent rate relief, the Company's overall rate of return at present rates is projected to be only 5.66% for the fully projected future test year, as shown on Schedule A-1 of PECO Exhibit SY-1. More importantly, the indicated return on common equity under present rates is anticipated to be only 6.21%, which is inadequate by any reasonable standard and far less than required to provide the Company with a reasonable opportunity to attract capital.

Without the requested rate relief, PECO's financial results would deteriorate even further in 2017 and thereafter. This would jeopardize the Company's ability to appropriately invest in the infrastructure needed to maintain and improve its safety, reliability and customer-service levels. It would also have an adverse impact on PECO's credit-coverage ratios and negative implications with respect to maintaining the Company’s current credit ratings, which would increase its financing costs.

The requested rates would produce an 8.19% return on the Company's claimed measures of value and a return on its common equity of 10.95%. These return levels are recommended by Mr. Paul R. Moul (PECO Statement No. 5), the Company's cost-of-capital consultant and an expert on the subject of rate of return. Mr. Moul's rate of return recommendations are set forth in PECO Exhibit PRM-1 and are summarized in the following table:

	Ratio	**Cost Rate**	**Weighted Cost**
Long-Term Debt	46.64%	5.04%	2.35%
Common Equity	53.36%	10.95%	5.84%
Total	100%		8.19%

Mr. Moul proposes a 10.95% return on common equity for this case based on his analysis of the Company’s cost of capital and its superior management performance, as described in the testimony of Mr. Michael A. Innocenzo, PECO's Senior Vice President and Chief Operating Officer (PECO Statement No. 1).

Supporting Data

PECO is filing all of the supporting data required by the Commission's regulations, including data for the historic test year (“HTY”) ended December 31, 2014, the future test year (“FTY”) ending December 31, 2015, and the fully projected future test year (“FPFTY”) ending December 31, 2016. Because the Company is basing its claim principally on the level of operations for the FPFTY, the discussion that follows will address FPFTY data.

The revenue and expense claims for the FPFTY have been prepared in accordance with accepted practices of the Commission. Operating revenues at present rates were derived from budgeted revenues for PECO's electric operations for the year ending December 31, 2016, adjusted in the manner shown on Schedule D-5 of PECO Exhibit SY-1. Principal revenue adjustments include the removal of revenues related to portions of the Company's business that are not subject to the jurisdiction of the Commission, decreased revenues resulting from the implementation of Act 129 energy efficiency programs, the removal of revenues billed under the surcharge (i.e., non-base rate revenue) that recover the cost of implementing the Company's energy efficiency and conservation programs pursuant to Act 129, and the annualization of changes in number of customers.

Pro forma FPFTY operating expenses were developed from PECO's 2016 budget for electric operations. Budgeted expenses, which were prepared based on business activities and related cost elements such as payroll, employee benefits, etc., were distributed to FERC accounts based on the distribution experienced by the Company during the HTY. The budget data, as distributed to FERC accounts, were annualized or normalized in accordance with established Commission ratemaking practices and other appropriate adjustments were made, all of which are included in Schedule D of PECO Exhibit SY-1. The necessary adjustments were made to the appropriate FERC accounts.

Annual depreciation expense for electric and common plant in service at December 31, 2016, was calculated using the remaining life method, which the Commission has previously approved for PECO's electric operations. PECO's claim for the estimated annualized depreciation accrual is set forth in Schedule D-17 of PECO Exhibit SY-1 and is described in PECO Statement No. 3.

Income taxes were calculated using procedures commonly accepted by the Commission. The interest expense deduction was synchronized with the Company's measures of value and claimed weighted average cost of long-term debt. The normalization method was used to reflect the tax-book timing differences associated with the use of accelerated methods of tax depreciation to the extent permitted by the Commission and appellate precedent. All other tax-book differences were flowed-through for ratemaking purposes. Tax expense was reduced to reflect the amortization of the unamortized investment tax credits. Additionally, to comply with applicable Commission and appellate court precedent, the Company has included a consolidated income tax adjustment. The income tax expense claims for the FPFTY at present rate and proposed rate revenue levels are shown on PECO Exhibit SY-1, Schedule D-18.

PECO's measures of value reflect the Company's balances of electric plant at December 31, 2016, including common plant used in, and appropriately allocated to, electric operations, as shown in Section C of PECO Exhibit SY-1. The estimated original cost of gross plant at December 31, 2016 was developed by taking the original cost of gross plant at January 1, 2015, and adding the 2015 and 2016 estimated plant additions and subtracting the 2015 and 2016 estimated plant retirements. The estimated accumulated book reserve at December 31, 2016 was calculated in similar fashion. Specifically, the accumulated book reserve at December 31, 2014 was brought forward to December 31, 2016 by adding the 2015 and 2016 estimated annual depreciation accrual; subtracting the 2015 and 2016 estimated plant retirements; and adding 2015 and 2016 estimated cost of removal net of salvage that are closed to the accumulated book reserve. The unamortized balance of Automated Meter Reading ("AMR") investment, a pension asset, materials and supplies and cash working capital were included in the determination of the measures of value, while accumulated deferred Federal income taxes, a 13-month average of customer advances, and a 13-month average of customer deposits were deducted from measures of value.

As is evident from the foregoing, and the extensive supporting data filed by the Company, the proposed increase is just and reasonable, and is the minimum increase necessary to enable the Company to earn a reasonable return on the fair value of its property that is used and useful in the public service, to maintain the integrity of its existing capital, and to attract new capital.

Rate Structure and Rate Design

As Mr. Scott A. Neumann (PECO Statement No. 7) explains, in developing its rate-structure proposal, the Company considered the results of a cost of service study performed by Mr. Alan B. Cohn (PECO Statement No. 6). While the cost of service study was used as a guide, the Company also considered the principle of gradualism that has traditionally been applied in Pennsylvania. Accordingly, the proposed rates were designed to mitigate the impact on each major rate class, to the extent practicable, while still making meaningful movement toward the system average rate of return.

PECO proposes certain changes in rate design, which include principally: (1) aligning fixed distribution/customer charges with, or closer to, customer-classified costs; and (2) eliminating the kWh-based distribution charges for commercial and industrial customers in order to recover all costs not recovered in customer charges through a kW-based demand charge. Certain other changes in rate design and in the rules, regulations and riders set forth in the Company's tariff are described in the testimony of Mr. Neumann and Mr. Richard A. Schlesinger (PECO Statement No. 8).

"Roll-In" of Smart Meter Costs into Distribution Rates

In its Petition for Approval of a Smart Meter Technology Procurement and Installation Plan at Docket No. M-2009-2123944, PECO proposed, and received approval, to recover its smart meter costs through a Commission approved surcharge. In addition, PECO explained in its Petition that, when its smart meter system is fully deployed, it would be appropriate to roll the smart meter program costs into its base rates. The surcharge has been in place since January 1, 2011, and, as of January 1, 2016, smart meter deployment will have been substantially completed. For these reasons, PECO is proposing to roll its smart meter costs into its base rate revenue requirement in this case.

Capital Infrastructure Investment

PECO makes significant capital and infrastructure investments in its service territory every year. As noted above, since its last base rate case, PECO has invested $1.5 billion in its electric distribution plant. This level of investment maintains and enhances the reliability of PECO's distribution system and the quality of the service PECO provides its customers. It also helps to maintain and create thousands of jobs in the region.

At the time it filed its base rate increase, PECO also filed with the Commission, at a separate docket, a Petition requesting the Commission's review and approval of an electric Long Term Infrastructure Improvement Plan ("LTIIP") and a tariff supplement to establish a Distribution System Improvement Charge ("DSIC"), pursuant to Sections 1352 and 1353 of the Public Utility Code, respectively. Over the five-year (2016-2020) term of its proposed LTIIP, PECO plans to make additional capital investments totaling $274.3 million focused on storm hardening its aerial distribution facilities, replacing underground cable and retiring obsolete building substations while also upgrading the distribution facilities those substations serve. All of the additional investments covered by the Company's LTIIP are described further in the testimony that accompanies and supports PECO's Petition. Reliability-related capital investments of $21.8 million that the Company plans to make during the first year (2016) of its LTIIP have been included in the fully projected future test year plant additions used to develop the measures of value in its base rate case. As a result, the Company will not seek to recover the capital costs of its 2016 LTIIP investments under its proposed DSIC if its DSIC is approved by the Commission.

Community Involvement

PECO also has a strong and continuing tradition of community involvement. The Company's corporate citizenship efforts are designed to improve the quality of life for the people who live and work in PECO's service territory, and include support for education and the environment, sponsorships, employee volunteer activities, and executive involvement on outside nonprofit boards.

Summary

The requested increase in revenues is the minimum necessary to enable the Company to appropriately invest in the infrastructure needed to maintain and improve its safety, reliability and customer-service levels; to maintain the integrity of PECO's existing capital; to attract additional capital at reasonable costs; and to have an opportunity to achieve a fair rate of return on its investment in property dedicated to public service. The

Company's proposed revenue allocation and rate design are just, reasonable and non-discriminatory. Accordingly, the Company's proposed rates, rules and terms of service should be permitted to become effective as filed.

PLAIN LANGUAGE STATEMENT OF REASONS FOR PECO ENERGY COMPANY'S REQUEST TO INCREASE ELECTRIC RATES

PECO Energy Company ("PECO" or the "Company") has asked the Pennsylvania Public Utility Commission ("PUC") to increase its electric distribution rates by $190 million, or 4.4% of its total electric operating revenues. Although the new rates are proposed to become effective on May 26, 2015, the Company expects that they will be suspended for investigation by the PUC until approximately January 1, 2016. The main reasons PECO is asking for an increase in rates are:

- PECO last filed for an increase in electric base rates in March 2010. During the five years since then, PECO has invested approximately $1.5 billion in its electric system and continues to make substantial investments to maintain and improve its safety, reliability and customer-service levels. In fact, since 2010, the average time customers are without power has declined by 24 percent, and customers have experienced, on average, less than one interruption per year outside of major storms.

- During the last five years, PECO has made important efforts to control spending where it is within its control to do so by adopting new technologies to increase efficiency, increasing the productivity of its workforce, implementing process improvements, and using competitive-procurement policies and benchmarking. However, unavoidable increases have occurred in several areas, including employee wages and salaries, the effects of inflation on material and contracting costs, and the cost of storm damage and recovery. In addition, PECO's customer load has declined since 2010.

- Without the requested rate relief, the Company's financial results would deteriorate further in 2016 and thereafter. This would jeopardize the Company's ability to appropriately invest in the infrastructure needed to maintain and improve its safety, reliability and customer-service levels. It would also have a negative effect on PECO's ability to maintain its current credit ratings, which would increase its financing costs.

PECO is filing all of the supporting data required by the PUC's regulations, as well as the written statements of eight witnesses and numerous exhibits. All of the data and other information supporting PECO's rate increase have been prepared in ways that the PUC has approved in the past for PECO and other utilities.

In summary, the proposed increase in revenues is the minimum necessary to enable the Company to appropriately invest in the infrastructure needed to maintain and improve its safety, reliability and customer-service levels.

Proposed Changes to Electric Service Tariff No. 5

Information furnished with the filing of rate changes under
52 Pa. Code, Section 53.52

(a) Applicable to changes in terms and conditions of service rendered.

(a)(1) The specific reason for each change.

The specific reasons for the rate increase are summarized in the Company's Statement of Reasons, which is included as part of the Company's filing.

(**a)(2) The total number of customers served by the utility.**

The total number of customers on PECO's system as of December 31, 2014 is 1,595,994.

(a)(3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

A breakdown of customers by tariff subdivision is provided below:

Rate	Customers	
R	1,258,007	
RH	176,003	
GS	149,149	
POL	2,766	(included in GS)
PD	496	
HT	2,607	
EP	5	
SLS	353	
SLE	576	
TL	8,797	
AL	1	

(a)(4) The effect of the change on the utility's customers.

Refer to PECO Statement No.7, the Direct Testimony of Scott A. Neumann, and accompanying exhibits.

(a)(5) The effect, whether direct or indirect, of the proposed change on the utility's revenue and expenses.

The proposed changes will increase total revenues and total expenses. For details on specific changes, see the direct testimony of Shuo Yin, PECO Statement No. 3.

(a)(6) The effect of the change on the service rendered by the utility.

No changes are expected in the service rendered by the Company. The proposed change will enable the Company to recover its costs and earn a fair return on its investment in used and useful property and, in that way, will facilitate the Company's on-going efforts to maintain and enhance its levels of safety, reliability and customer service.

(a)(7) A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement as to why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of the tariff change seeking a general rate increase as defined in 66 Pa.C.S. Section 1308 (relating to voluntary changes in rates).

The changes being made to rate design are discussed in the direct testimony of Scott A. Neumann, PECO Statement No. 7. PECO Statement No. 8, the direct testimony of Richard A. Schlesinger, discusses changes to Rules and Regulations, Section 1307 surcharge mechanisms and certain Riders that are set forth in the proposed tariff.

(a)(8) Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of tariff change seeking a general rate increase defined in Pa.C.S. Section 1308.

No studies were undertaken.

(a)(9) Customer polls taken and other documents, which indicate customer acceptance and desire for the proposed change.

No customer polls were conducted.

(a)(10) Plans the utility has for introducing or implementing the changes with respect to its customers.

The Company plans to implement the changes upon approval by the Commission. The methods of notification to the customers will include a press release and a bill insert.

(a)(11) F.C.C., or FERC or Commission orders or rulings applicable to the filings.

No FERC or Commission orders or rulings are directly applicable. To the extent that any FERC or Commission order or ruling may be relevant, it is discussed in the direct testimony submitted as part of the Company's filing.

(b) Applicable to changes in rates.

(b) (1) Specific reasons for each change

Refer to the Company's Statement of Reasons included with this filing.

(b) (2) Utility's operating income statement ending not more than 120 days prior to filing date- historic year

Refer to PECO Statement No. 3, Exhibits SY-1, SY-2 and SY-3, Schedules B-2 to B-5.

(b) (3) Number of customers, by tariff subdivision, whose bills will be increased

Refer to response to (a)(3) for the number of customers whose bills will be increased.

(b)(4) Total increases, in dollars, by tariff subdivision, projected to an annual basis

Refer to PECO Statement No. 7, Exhibit SAN-1, for the requested information.

(b)(5) Number of customers, by tariff subdivision, whose bills will be decreased

None.

(b) (6) Total decreases, in dollars, by tariff subdivision, projected to an annual basis

None.

(c) Applicable to changes where increase for any tariff subdivision exceeds 3% of utility's operating revenue OR bills of more than 5% of customers will increase.

(c)(1) Rate of return for historic year and anticipated for future year.

Refer to PECO Exhibits SY-1, SY-2 and SY-3, Schedule A-1.

(c)(2) Detailed balance sheet at the end of the historic year.

Refer to PECO Exhibits SY-1, SY-2 and SY-3, Schedule B-1.

(c)(3) Summary, by detailed plant accounts, of book value of property of utility at end of historic year

Refer to PECO Exhibits SY-1, SY-2 and SY-3, Schedule C-2.

(c)(4) Respective amount of the depreciation reserve applicable to each detailed plant account

Refer to PECO Exhibits SY-1, SY-2 and SY-3, Schedule C-3.

(c)(5) Statement of operating income, setting forth the operating revenues and expenses by detailed accounts - historic year

Refer to PECO Exhibits SY-1, SY-2 and SY-3, Schedules B-2 to B-5.

(c)(6) Description of any major change in the operating or financial condition of utility occurring between the date of the balance sheet at end of the historic year and filing date

There have been no major changes in the Company's operating or financial condition since the date of the balance sheet and the filing date of Electric Service Tariff No. 5. Refer to PECO Statement No. 2, the Direct Testimony of Phillip S. Barnett, for a discussion of the Company's financial condition.

NOTICE OF PROPOSED ELECTRIC RATE CHANGES

To Our Customers:

PECO is filing a request with the Pennsylvania Public Utility Commission (PUC) to increase your electric rates as of May 26, 2015. This notice describes the Company's electric rate request, the PUC's role, and what actions you can take.

PECO has requested an overall electric rate increase of $190 million per year. If the Company's entire request is approved, the total monthly bill for a residential customer using 700 kWh would increase by $6.55 from $110.18 to $116.73 or by 5.9%.

The total monthly bill for a commercial customer using 10,000 kWh would increase from $1,067.08 to $1,094.80 or by 2.6%.

The total monthly bill for an industrial customer using 400,000 kWh would increase from $36,991.97 to $37,839.54 or by 2.2%.

To find out your customer class or how the requested increase may affect your electric bill, contact PECO at 1-800-494-4000. The electric rates requested by the Company may be found in Electric Tariff No. 5. You may examine the material filed with the PUC, which explains the requested increase and the reasons for it. A copy of this material is kept at PECO's office. Upon request, the Company will send you the Statement of Reasons for Electric Tariff No. 5, explaining why the electric rate increase has been requested. A copy can also be viewed by visiting www.peco.com/rates.

The state agency which approves electric rates for public utilities is the PUC. The PUC will examine the requested electric rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The Company must prove that the requested electric rates are reasonable. After examining the evidence, the PUC may grant all, some, or none of the request or may reduce existing electric rates. The PUC may change the amount of the electric rate increase or decrease requested by the utility for each customer class. As a result, the electric rate charged to you may be different than the electric rate requested by the Company and shown above.

(Over)

There are three ways to challenge a Company's request to change its electric rates:

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the electric rate increase request. All complaints should be filed with the PUC before June 29, 2015. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge.

2. You can send the PUC a letter telling why you object to the requested electric rate increase. Sometimes there is information in these letters that makes the PUC aware of problems with the Company's service or management. This information can be helpful when the PUC investigates the electric rate request.

Send your letter or request for a formal complaint form to the:

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

Complaint forms can also be accessed at the PUC website in Adobe Acrobat format: http://www.puc.state.pa.us/general/onlineforms/pdf/official_complaint_form_final.pdf.

3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the Company's electric rate increase request and if there is a large number of customers interested in the case. At these hearings you have the opportunity to present your views in person to the PUC judge hearing the case and the Company representatives. All testimony given "under oath" becomes part of the official electric rate case record. These hearings are held in the service area of the Company.

For more information, call the PUC at 1-800-692-7380. You may leave your name and address so you can be notified of any public input hearings that may be scheduled in this case.

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VERIFICATION

I, Richard G. Webster, Jr., hereby declare that I am the Vice President of Regulatory Policy and Strategy of PECO Energy Company; that as such I am authorized to make this verification on its behalf; that the facts set forth in the foregoing tariff filing are true and correct to the best of my knowledge, information and belief, and that I make this verification subject to the penalties of 18 Pa. C.S. § 4904 pertaining to false statements to authorities.

Richard G. Webster, Jr.
Vice President of Regulatory Policy and
Strategy of PECO Energy Company

Dated: March 27, 2015