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June 15, 2015

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 July 1, 2015.

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

Exhibit 1 - Smart Meter Projected Costs for July 1, 2015 to September 30, 2015

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,



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

**PECO Energy Smart Meter Project
Projected Costs for July 1, 2015 to September 30, 2015**

Smart Meter Cost Recovery (\$M)

Line	Forecast 3Q 2015			
	Jul	Aug	Sep	
1	Period 5 (7/1/13 to 6/30/14) Overcollection	\$ (0.27)	\$ (0.27)	\$ (0.27)
2	2015 O&M to be Recovered	2.23	2.40	2.44
3	2015 Depreciation	2.91	2.90	2.90
4	2015 Capital Revenue Requirement	1.82	1.79	1.76
5	2015 Benefits/Avoided Costs	(3.22)	(3.22)	(3.22)
6	Total Revenue Requirement	\$ 3.47	\$ 3.61	\$ 3.61
7	Quarterly Revenue Requirement (\$M)	\$ 10.68		
	Quarterly Revenue Requirement by class (\$M):			
8	Res	\$ 9.44		
9	SCI	\$ 1.15		
10	LCI	\$ 0.09		
	Estimated Monthly Rate:			
11	Res (¢/kWh)	0.26		
12	SCI (\$/customer)	\$ 2.72		
13	LCI (\$/customer)	\$ 10.51		

**PECO Energy Smart Meter Project
Projected Costs for July 1, 2015 to September 30, 2015**

<u>Line</u>		<u>In effect</u>	<u>In effect</u>	<u>Forecasted</u>	
	Estimated Monthly Rate:	1Q 2015	2Q 2015	3Q 2015	
1	Res (¢/kWh)	0.34	0.34	0.26	
2	SCI (\$/customer)	\$ 2.60	\$ 2.60	\$ 2.72	
3	LCI (\$/customer)	\$ 10.85	\$ 10.85	\$ 10.51	
	Average Customer total monthly bill with surcharge:				% change
4	Res (500 kWh usage)	\$82.78	\$79.37	\$ 78.97	(0.0050)
5	SCI (10,000 kWh usage)	\$1,223.90	\$1,086.14	\$ 1,086.26	0.0001
6	LCI (200,000 kWh usage)	\$19,588.63	\$16,542.79	\$ 16,542.45	(0.0000)