

CAPTION SHEET

CASE MANAGEMENT SYSTEM

- 1. REPORT DATE: 00/00/00
- 2. BUREAU: AUD
- 3. SECTION(S):
- 5. APPROVED BY: DIRECTOR: SUPERVISOR:
- 6. PERSON IN CHARGE:
- 8. DOCKET NO: R-00072392
- 4. PUBLIC MEETING DATE: 00/00/00
- 7. DATE FILED: 05/14/07
- 9. EFFECTIVE DATE: 08/12/07

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: PECO ENERGY COMPANY

COMP/APP COUNTY:

UTILITY CODE: 110550

ALLEGATION OR SUBJECT

PECO ENERGY COMPANY FILED SUPPLEMENT NUMBER 73 TO TARIFF ELECTRIC PAPUC #3 EFFECTIVE AUGUST 12, 2007 IMPLEMENTING THE ANNUAL ADJUSTMENT OF INTANGIBLE TRANSITION CHARGES AND SECURITIZATION RATE REDUCTIONS.....

DOCUMENT FOLDER

DOCKETED

MAY 11 2007

**Brian D. Crowe**  
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**ORIGINAL**

May 14, 2007

R-00072392

**BY FEDERAL EXPRESS**

Mr. James McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

DOCUMENT  
FOLDER

Dear Secretary McNulty:

Re: Tariff Electric – Pa. P.U.C. No. 3 Supplement No. 73 – Issued May 14, 2007  
Effective August 12, 2007 – Implementing the Annual Adjustment of Intangible  
Transition Charges (ITC) and Securitization Rate Reductions (SRR)

PECO encloses for filing with the Commission eight copies of Supplement No. 73 – Tariff Electric Pa. P.U.C. No. 3. This filing which is to become effective on August 12, 2007, is in accordance with the provisions of the Final Order concerning the Application of PECO for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code, et al. at Docket Nos. R-00973953 and P-00971265 entered May 14, 1998 (“Final Order”) and the Order concerning the Application of a Qualified Rate Order at Docket No. R-00005030. The Company is making this filing in accordance with paragraph 10 of the Final Order at Docket No. R-00973953 and Paragraph 7 of the Order at Docket No. R-00005030 which provide for an Annual Adjustment of rates and a 90 day period in which the Commission has to approve such rates. Additionally, in accordance with the Orders and as indicated on the attached tariff page (14th revised page no. 32) the net effect of the ITC and SRR on the customer bills will be zero.

Exhibit 1 contains a reconciliation of actual Intangible Transition Charges (ITC) billed and collected for the 12 month period ended April 2007. Exhibit 2 provides the ITC revenues necessary to amortize the transition bonds through August 2008.

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

Sincerely,



cc: T. E. Sheets, Director, Bureau of Audits  
J. E. Simms, Director, Office of Trial Staff  
Office of Consumer Advocate  
Office of Small Business Advocate  
R. A. Rosenthal, Director, Fixed Utility Services  
R. Wilson, Manager, Fixed Utility Services

**RECEIVED**

MAY 14 2007

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

Enclosures

/amm

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ORIGINAL

H-00072392

# PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street  
Philadelphia, Pennsylvania 19101

DOCUMENT  
FOLDER

For List of Communities Served, See Page 4.

Issued May 14, 2007

Effective: August 12, 2007

ISSUED BY: D. P. O'Brien - President  
PECO Energy Distribution Company  
2301 MARKET STREET  
PHILADELPHIA, PA. 19101

DOCKETED

MAY 18 2007

# NOTICE.

RECEIVED

MAY 14 2007

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Net Securitization Adjustment (NSA) (14<sup>th</sup> Revised Page No. 32)  
Change ITC charges and SRR credits.

**PECO Energy Company**

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Net Securitization Adjustment (NSA)

In addition to the net charges provided for in this tariff, values as indicated in the table below will be applied to all service on their effective date.

The NSA is comprised of two separate factors, the Securitization Rate Reduction (SRR) and the Intangible Transition Charge (ITC) which will always net to zero in accordance with the terms of the Joint Petition for Full Settlement. The factors as described below will initially become effective on 10 days notice to the Commission. The SRR and ITC will be recalculated as follows:

- (1) Whenever new Transition Bonds are issued as evidenced by the issuance date of the bonds.
- (2) Annually, to reconcile unamortized Qualified Transition Expense (QTE) principal balance.
- (3) Quarterly, or if necessary monthly, in order to insure full recovery of ITC during the final calendar year of ITC collection.

Securitization Rate Reduction (SRR)

The SRR is a credit to the Company's base rate charges, expressed as a percentage of such charges, reflecting a revenue requirement reduction arising from the Company's securitization of generation-related costs.

Intangible Transition Charge (ITC)

The ITC is a charge that is added to, and expressed as a percentage of, the Company's PaPUC jurisdictional base rate charges (i.e. distribution and CTC) reflecting the revenue requirement necessary to amortize the QTE principal balance. The ITC will be recalculated as follows:

Effective Rate Table

<u>Rate Class</u>	(a), (b) <u>SRR</u>	(a), (b) <u>ITC</u>	<u>NSA</u>
R	(29.41%)(d)	29.41%	0
RT	(29.41%)	29.41%	0
R-H	(37.13%)(d)	37.13%	0
OP	(8.26%)	8.26%	0
GS	(47.81%)	47.81%	0
PD	(50.36%)	50.36%	0
HT	(54.66%)(c)	54.66%(c)	0
POL	(7.12%)	7.12%	0
SL-P	(9.02%)	9.02%	0
SL-S	(11.97%)	11.97%	0
SL-E	(11.47%)	11.47%	0
TL	(43.68%)	43.68%	0
EP	(53.02%)	53.02%	0

- (a) Applied to Variable Distribution and Transition Charges, net of PA Gross Receipts Tax
- (b) Rate is modified for special contract customers with discounted CTC rates and customers on KOZ Rider and CAP A Rider.
- (c) Not applicable to on peak LILR.
- (d) Includes CAP Rates

(C) Indicates Change

PECO  
ITC Receipts  
Reconciliation Statement Through April 2007

Month	Residential			Commercial & Industrial		
	Actual	Projected	Difference	Actual	Projected	Difference
May-06	\$ 17,518,741	\$ 18,610,876	\$ (1,092,135)	\$ 39,674,258	\$ 37,691,859	\$ 1,982,399
Jun-06	\$ 18,681,462	\$ 16,752,194	\$ 1,929,269	\$ 39,784,130	\$ 39,256,659	\$ 527,471
Jul-06	\$ 22,882,172	\$ 19,050,239	\$ 3,831,933	\$ 41,231,406	\$ 42,560,548	\$ (1,329,142)
Aug-06	\$ 33,559,900	\$ 23,179,629	\$ 10,380,271	\$ 49,929,751	\$ 45,833,765	\$ 4,095,986
Sep-06	\$ 32,907,013	\$ 25,476,015	\$ 7,430,998	\$ 45,730,384	\$ 45,949,539	\$ (219,155)
Oct-06	\$ 24,608,338	\$ 23,950,471	\$ 657,868	\$ 45,000,855	\$ 43,254,931	\$ 1,745,924
Nov-06	\$ 17,964,874	\$ 20,861,779	\$ (2,896,905)	\$ 33,252,616	\$ 40,099,733	\$ (6,847,118)
Dec-06	\$ 15,993,702	\$ 20,467,620	\$ (4,473,919)	\$ 43,827,715	\$ 38,861,346	\$ 4,966,368
Jan-07	\$ 25,010,979	\$ 23,598,076	\$ 1,412,903	\$ 49,514,319	\$ 39,632,823	\$ 9,881,496
Feb-07	\$ 25,096,149	\$ 26,336,130	\$ (1,239,981)	\$ 42,849,400	\$ 39,463,491	\$ 3,385,908
Mar-07	\$ 26,141,339	\$ 25,309,173	\$ 832,166	\$ 53,220,214	\$ 39,669,958	\$ 13,550,256
Apr-07	\$ 22,850,565	\$ 22,942,096	\$ (91,531)	\$ 48,408,071	\$ 38,804,509	\$ 9,603,563
Total	\$ 283,215,234	\$ 266,534,297	\$ 16,680,937	\$ 532,423,118	\$ 491,079,162	\$ 41,343,957

PECO  
ITC Billed  
Reconciliation Statement Through April 2007

Month	Residential			Commercial & Industrial		
	Actual	Projected	Difference	Actual	Projected	Difference
May-06	\$ 15,265,809	\$ 16,682,153	\$ (1,416,344)	\$ 36,255,896	\$ 36,076,159	\$ 179,737
Jun-06	\$ 21,735,970	\$ 18,916,428	\$ 2,819,543	\$ 44,714,000	\$ 42,706,805	\$ 2,007,195
Jul-06	\$ 28,646,092	\$ 25,868,456	\$ 2,777,637	\$ 44,025,232	\$ 44,876,608	\$ (851,376)
Aug-06	\$ 41,470,853	\$ 28,686,441	\$ 12,784,412	\$ 50,723,022	\$ 48,715,352	\$ 2,007,670
Sep-06	\$ 27,361,832	\$ 26,256,859	\$ 1,104,973	\$ 44,204,361	\$ 44,073,740	\$ 130,620
Oct-06	\$ 19,066,155	\$ 19,904,713	\$ (838,558)	\$ 39,640,081	\$ 41,158,415	\$ (1,518,334)
Nov-06	\$ 17,831,041	\$ 19,913,790	\$ (2,082,748)	\$ 43,523,811	\$ 37,519,942	\$ 6,003,869
Dec-06	\$ 22,545,549	\$ 24,560,406	\$ (2,014,856)	\$ 33,950,757	\$ 40,395,957	\$ (6,445,200)
Jan-07	\$ 23,653,667	\$ 30,865,190	\$ (7,211,523)	\$ 41,513,121	\$ 40,303,467	\$ 1,209,654
Feb-07	\$ 24,564,865	\$ 26,663,504	\$ (2,098,639)	\$ 41,507,998	\$ 39,410,423	\$ 2,097,575
Mar-07	\$ 25,170,245	\$ 23,242,010	\$ 1,928,235	\$ 43,822,298	\$ 39,659,049	\$ 4,163,249
Apr-07	\$ 19,954,524	\$ 21,728,498	\$ (1,773,973)	\$ 38,179,046	\$ 37,633,215	\$ 545,831
Total	\$ 287,266,603	\$ 283,288,446	\$ 3,978,157	\$ 502,059,623	\$ 492,529,131	\$ 9,530,491

PECO  
 ITC Amortization Statement  
 9/01/06 - 8/31/07

1-5-07

Rate Class	(1) Allocated Bond Balance at Beginning of Period	(2) Fees/Expenses	(3) Interest	(4) Principal	(5) Reserve Account	(6) = (2)+(3)+(4)+(5) Total	7 = (1) - (4) Target Balance at End of Period 8/31/07
Residential	1,008,154,833	\$ 2,453,434	\$ 63,680,339	\$ 230,910,751	\$ (26,287,156)	\$ 270,757,368	777,244,083
Comm & Ind	<u>1,767,729,983</u>	<u>\$ 4,282,876</u>	<u>\$ 110,931,098</u>	<u>\$ 414,514,065</u>	<u>\$ 3,777,336</u>	<u>\$ 533,505,375</u>	<u>1,353,215,917</u>
Total	2,775,884,816	\$ 6,736,310	\$ 174,611,437	\$ 645,424,816	\$ (22,509,820)	\$ 804,262,743	2,130,460

PECO  
ITC Amortization Statement  
9/01/07 - 8/31/08

Rate Class	(1) Allocated Bond Balance at Beginning of Period	(2) Fees/Expenses	(3) Interest	(4) Principal	(5) Reserve Account	(6) = (2)+(3)+(4)+(5) Total	7 = (1) - (4) Target Balance at End of Period 8/31/08
Residential	\$ 777,244,083	\$ 1,871,904	\$ 49,408,268	\$ 229,528,610	\$ (25,182,289)	\$ 255,626,493	547,715,472
Comm & Ind	\$ 1,353,215,917	\$ 3,258,142	\$ 85,750,414	\$ 395,471,390	\$ (67,157,683)	\$ 417,322,263	957,744,528
Total	\$ 2,130,460,000	\$ 5,130,046	\$ 135,158,682	\$ 625,000,000	\$ (92,339,972)	\$ 672,948,756	1,505,460,000