



An Exelon Company

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September 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 October 1, 2015.

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

Exhibit 1 - Smart Meter Projected Costs for October 1, 2015 to December 31, 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,

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  
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 October 1, 2015 to December 31, 2015**

**Smart Meter Cost Recovery (\$M)**

Line	Forecast 4Q 2015			
	Oct	Nov	Dec	
1	Period 5 (7/1/13 to 6/30/14) Overcollection	\$ (0.27)	\$ (0.27)	\$ (0.27)
2	2015 O&M to be Recovered	2.32	2.22	3.43
3	2015 Depreciation	3.05	3.03	3.02
4	2015 Capital Revenue Requirement	1.71	1.68	1.65
5	2015 Benefits/Avoided Costs	(3.23)	(3.24)	(3.24)
6	<b>Total Revenue Requirement</b>	<b>\$ 3.57</b>	<b>\$ 3.42</b>	<b>\$ 4.59</b>
7	<b>Quarterly Revenue Requirement (\$M)</b>	<b>\$ 11.59</b>		
	<b>Quarterly Revenue Requirement by class (\$M):</b>			
8	Res	\$ 10.44		
9	SCI	\$ 1.05		
10	LCI	\$ 0.09		
	<b>Estimated Monthly Rate:</b>			
11	Res (¢/kWh)	0.35		
12	SCI (\$/customer)	\$ 2.50		
13	LCI (\$/customer)	\$ 10.75		

**PECO Energy Smart Meter Project  
Projected Costs for October 1, 2015 to December 31, 2015**

<u>Line</u>		<u>In effect</u>	<u>In effect</u>	<u>In effect</u>	<u>Forecasted</u>	
	<b>Estimated Monthly Rate:</b>	<b>1Q 2015</b>	<b>2Q 2015</b>	<b>3Q 2015</b>	<b>4Q 2015</b>	
1	Res (\$/kWh)	0.34	0.34	0.34	0.35	
2	SCI (\$/customer)	\$ 2.60	\$ 2.60	\$ 2.60	\$ 2.50	
3	LCI (\$/customer)	\$ 10.85	\$ 10.85	\$ 10.85	\$ 10.75	
<b>Average Customer total monthly bill with surcharge:</b>						<b>%</b>
						<b>change</b>
4	Res (500 kWh usage)	\$82.78	\$79.37	\$80.82	\$ 80.85	0.0004
5	SCI (10,000 kWh usage)	\$1,223.90	\$1,086.14	\$1,123.14	\$ 1,123.04	(0.0001)
6	LCI (200,000 kWh usage)	\$19,588.63	\$16,542.79	\$16,802.79	\$ 16,802.69	(0.0000)