



An Exelon Company

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

November 16, 2015

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

SUBJECT: PECO Energy Company (PECO) Generation Supply Adjustment (GSA)
PECO Tariff Electric No. 4, Supplement No. 136 Effective January 1, 2016
Docket No. P-2014-2409362

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission Supplement No. 136 to PECO's Electric Tariff No. 4. This Supplement contains PECO's monthly adjustment to Procurement Class 4 - Hourly Pricing, Large Commercial & Industrial effective January 1, 2016 through January 31, 2016. This filing is made in accordance with the tariff approved in PECO's Third Default Service Program ("DSP-III") at Docket No. P-2014-2409362.

The proposed rate for Rate HT (High Tension Power) for January 2016 of 2.35 cents/kWh reflects an increase of 2.56 cents/kWh compared to the rate in December 2015 for Procurement Class 4 - Hourly Pricing.

The following attachments are also included in support of this filing:

Attachment 1 - GSA Calculation for Procurement Class 4 - Hourly Pricing – Large Commercial & Industrial over 500 KW;

Attachment 2 - Revised GSA Tariff for Procurement Class 4 - Hourly Pricing – Large Commercial & Industrial over 500 KW

Rosemary Chiavetta, Secretary
November 16, 2015
Page 2

Thank you for your assistance in this matter and please direct any questions regarding the above to Richard Schlesinger, Manager, Retail Rates at (215) 841-5771.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Schlesinger', with a long horizontal flourish extending to the right.

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

Enclosures

ATTACHMENT 1

PECO ENERGY COMPANY

**GSA CALCULATION FOR
PROCUREMENT CLASS 4 – HOURLY PRICING**

PECO Generation Supply Adjustment Rate-Procurement Class 4 Hourly (GSA 4 Hourly)

Application Period: January 1, 2016 through January 31, 2016
cents/kWh

	Amount	Rate GS			Rate PD			Rate HT			Rate EP		
		w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio				
AS Ancillary Services and Alternative Energy Portfolio Standards Factor													
-Ancillary Service and AEPS (a)	\$ 94,682	0.44	0.47	0.44	0.47	0.42	0.45	0.42	0.45	0.42	0.45	0.42	0.45
-Additional AEPS Cost	\$ 13,110	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Total Ancillary Service Cost and Alternative Energy Portfolio Standards Factor	\$ 107,793	0.50	0.53	0.50	0.53	0.48	0.51	0.48	0.51	0.48	0.51	0.48	0.51
AC Administrative Cost Factor													
-Administrative Cost	\$ 1,315	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Total Administrative Service Cost	\$ 1,315	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
E Factor Including Interest													
-Over/(Under) Collection Jan 2011 to Sep 2015	\$ 16,954	0.08	0.09	0.08	0.09	0.08	0.09	0.08	0.09	0.08	0.09	0.08	0.09
-Net Interest Jan 2011 to Sep 2015	\$ 3,118	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
-Prior Period Over/Under Collection Revenue, Oct 2015 to Dec 2015	\$ (391,729)	(1.74)	(1.85)	(1.74)	(1.85)	(1.74)	(1.85)	(1.74)	(1.85)	(1.74)	(1.85)	(1.74)	(1.85)
-Prior Period Interest Revenue, Oct 2015 to Dec 2015	\$ (9,551)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Total E Factor Including Interest	\$ (381,218)	(1.69)	(1.79)	(1.69)	(1.79)	(1.69)	(1.79)	(1.69)	(1.79)	(1.69)	(1.79)	(1.69)	(1.79)
WC Working Capital Adjustment													
-Working Capital Adjustment (b)		0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Total Working Capital Adjustment		0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Total GSA Rate (AS + AC - E + WC)		2.24	2.37	2.24	2.37	2.22	2.35	2.22	2.35	2.22	2.35	2.22	2.35
S Sales for Application Period in kWh													
	22,573,271												
Gross Receipts Tax (GRT)													
	5.90%												

(a) Adjusted for overall line loss factor ratio
(b) Based on Settlement at Docket No. R-2010-2161575

**PECO GSA 4 (Hourly) Ancillary Services and AEPS (AS Factor)
and Administrative Costs**

For the Period January 1, 2016 through January 31, 2016

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Additional AEPS Costs (2)	Administrative Cost (3)
Jan-16	\$94,682	\$13,110	\$1,315

PECO GSA 4 (Hourly) Default kWh Sales
For the Period January 1, 2016 through January 31, 2016

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh	Rate EP kWh
Jan-16	22,573,271	1,497,050	220,169	20,856,052	-

PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections
For the Period January 1, 2011 through September 30, 2015
and October 2015, November 2015 and December 2015

Month	Current Revenue for Over/(Under) Excluding GRT			Prior Period Revenue for Over/(Under) Excluding GRT			Total Current and Prior Period Revenue Excl GRT	Monthly Over/(Under) Collection	Cumulative Over/(Under) Collection	
	(8)	(9)	(10)	(11)=(8)+(9)+(10)	(12)	(13)				(14)=(12)+(13)
	Default Supplier and PECO Provided Current Revenue for Services and AEPS Excl Energy, Capacity Excl GRT	Default Supplier and PECO Provided Current Revenue for Ancillary Services and AEPS Excl GRT	Current Revenue for Administrative Cost Excl GRT	Total Current Period Revenue Excl GRT	E Factor Excl Interest and GRT for 1 month recovery	E Factor Excl Interest and GRT for 12 month recovery	E Factor Excl Interest Total Prior Period Revenue Excl GRT			
Jun-13	\$3,053,361	\$161,553	\$13,067	\$3,228,001	\$884,388	\$0	\$884,388	\$4,112,389	\$853,659	(\$1,323,181)
Jul-13	\$2,757,431	\$181,216	\$15,974	\$2,954,621	\$257,931	\$0	\$257,931	\$3,212,552	\$600,145	(\$469,522)
Sep-13	\$2,356,806	\$171,542	\$21,879	\$2,550,227	(\$176,633)	\$0	(\$176,633)	\$2,373,594	(\$321,696)	\$130,623
Oct-13	\$2,121,936	\$156,833	\$16,855	\$2,295,624	\$349,814	\$0	\$349,814	\$2,645,438	\$93,867	(\$191,073)
Nov-13	\$2,311,297	\$167,401	\$14,666	\$2,493,364	\$98,789	\$0	\$98,789	\$2,592,153	\$150,733	(\$97,206)
Dec-13	\$2,597,010	\$187,978	\$16,233	\$2,801,221	(\$464,902)	\$0	(\$464,902)	\$2,336,319	(\$432,290)	(\$378,763)
Jan-14	\$5,619,822	\$224,998	\$15,037	\$5,859,857	\$224,993	\$0	\$224,993	\$6,084,850	(\$4,509,502)	(\$4,888,265)
Feb-14	\$9,236,649	\$231,197	\$19,923	\$9,487,769	\$486,540	\$0	\$486,540	\$9,974,309	\$5,437,053	\$546,828
Mar-14	\$4,404,096	\$183,389	\$19,796	\$4,607,291	(\$66,893)	\$0	(\$66,893)	\$4,540,398	(\$83,270)	\$455,558
Apr-14	\$2,523,646	\$140,188	\$20,984	\$2,684,818	(\$94,944)	\$0	(\$94,944)	\$2,589,874	\$353,379	\$818,937
May-14	\$2,013,970	\$128,756	\$16,618	\$2,159,344	(\$419,004)	\$0	(\$419,004)	\$1,740,340	(\$163,146)	\$655,791
Jun-14	\$1,492,790	\$200,170	\$11,090	\$1,704,050	\$161,690	\$0	\$161,690	\$1,865,740	\$55,955	\$711,747
Jul-14	\$1,715,473	\$208,667	\$9,012	\$1,933,152	(\$10,180)	\$0	(\$10,180)	\$1,922,972	\$1,922,972	\$641,858
Aug-14	\$1,523,722	\$211,403	\$9,148	\$1,744,273	(\$384,363)	\$0	(\$384,363)	\$1,359,910	(\$304,363)	\$337,455
Sep-14	\$1,349,755	\$196,417	\$17,067	\$1,563,239	(\$443,462)	\$0	(\$443,462)	\$1,119,777	(\$388,543)	(\$31,048)
Oct-14	\$1,116,309	\$177,641	\$12,754	\$1,306,704	\$113,489	\$0	\$113,489	\$1,423,193	\$29,430	(\$60,478)
Nov-14	\$1,371,436	\$181,196	\$7,752	\$1,562,893	\$60,363	\$0	\$60,363	\$1,623,256	(\$41,892)	(\$102,379)
Dec-14	\$1,261,741	\$187,626	\$10,261	\$1,459,628	(\$85,748)	\$0	(\$85,748)	\$1,371,371	(\$228,834)	(\$331,204)
Jan-15	\$1,651,908	\$228,984	\$9,892	\$1,890,784	(\$55,939)	\$0	(\$55,939)	\$1,834,845	\$247,104	(\$54,100)
Feb-15	\$2,644,285	\$248,594	\$11,138	\$2,904,017	\$212,516	\$0	\$212,516	\$3,116,533	(\$879,928)	(\$964,028)
Mar-15	\$3,335,648	\$183,178	\$12,760	\$3,531,586	\$144,697	\$0	\$144,697	\$3,676,283	\$975,543	\$11,515
Apr-15	\$1,705,860	\$175,686	\$14,863	\$1,896,409	\$121,377	\$0	\$121,377	\$2,017,786	\$541,037	\$552,552
May-15	\$1,225,246	\$141,024	\$12,223	\$1,378,493	(\$327,809)	\$0	(\$327,809)	\$1,050,684	(\$403,391)	\$149,161
Jun-15	\$1,153,776	\$121,516	\$7,021	\$1,282,313	\$704,950	\$0	\$704,950	\$1,987,263	\$737,966	\$887,127
Jul-15	\$1,478,713	\$182,676	\$7,796	\$1,669,185	(\$586,686)	\$0	(\$586,686)	\$1,082,499	(\$488,709)	\$398,418
Aug-15	\$1,583,143	\$175,006	\$7,561	\$1,765,710	(\$413,734)	\$0	(\$413,734)	\$1,351,976	(\$245,976)	\$152,442
Sep-15	\$1,120,395	\$133,531	\$7,812	\$1,261,738	\$188,704	\$0	\$188,704	\$1,450,442	(\$135,488)	\$16,954
Oct-15					(\$86,638)	\$0	(\$86,638)			
Nov-15					(\$126,641)	\$0	(\$126,641)			
Dec-15					(\$178,450)	\$0	(\$178,450)			

**PECO GSA 4 (Hourly) Actual Interest Calculation
For the Period January 1, 2011 through September 30, 2015
and October 2015, November 2015 and December 2015**

Month	Current Portion of Revenue	Total Cost	Current Over/(Under) Collection for Interest	Interest Rate	Interest Time Factor	Interest Time Factor Denominator	Total Interest to be Returned to Customers	Interest Revenue Excl GRT in E Factor Recovered from Customers for 1 month recovery	Interest Revenue Excl GRT in E Factor Recovered from Customers for 12 month recovery	Cumulative Interest to be Returned to Customers
	(1) = (11) from Attachment 1, Page 5	(2) = (7) from Attachment 1, Page 4	(3) = (1) - (2)	(4)	(5)	(6)	(7) = (3) x (4) x (5) / (6)	(8)	(9)	(9) + (8) + (9)
Jun-13										\$317,805
Jul-13	\$3,228,001	\$3,258,730	(\$30,729)	6.00%	4.5	12	(\$691)	\$7,724	\$0	\$324,838
Aug-13	\$2,954,621	\$2,612,407	\$342,214	8.00%	4.5	12	\$10,266	(\$338,270)	\$0	(\$3,166)
Sep-13	\$2,550,227	\$2,695,290	(\$145,063)	6.00%	4.5	12	(\$3,264)	\$18,399	\$0	\$11,969
Oct-13	\$2,295,624	\$2,551,571	(\$255,947)	6.00%	4.5	12	(\$5,759)	\$3,570	\$0	\$9,780
Nov-13	\$2,493,364	\$2,441,420	\$51,944	8.00%	4.5	12	\$1,558	(\$10,377)	\$0	\$361
Dec-13	\$2,801,221	\$2,768,609	\$32,612	8.00%	4.5	12	\$978	(\$12,234)	\$0	(\$10,895)
Jan-14	\$5,859,857	\$10,594,352	(\$4,734,495)	6.00%	4.5	12	(\$106,526)	\$8,824	\$0	(\$108,597)
Feb-14	\$9,487,769	\$4,537,216	\$4,950,553	8.00%	3.5	12	\$115,513	\$10,351	\$0	\$17,267
Mar-14	\$4,607,291	\$4,623,668	(\$16,377)	6.00%	4.5	12	(\$368)	\$0	\$0	\$16,899
Apr-14	\$2,684,818	\$2,236,495	\$448,323	8.00%	4.5	12	\$13,450	(\$3,273)	\$0	\$27,076
May-14	\$2,159,344	\$1,903,486	\$255,858	6.00%	4.5	12	\$7,676	(\$14,350)	\$0	\$20,402
Jun-14	\$1,704,050	\$1,809,784	(\$105,734)	6.00%	4.5	12	(\$1,343)	\$3,170	\$0	\$21,193
Jul-14	\$1,933,152	\$1,992,861	(\$59,709)	8.00%	4.5	12	\$2,400	\$5,090	\$0	\$24,940
Aug-14	\$1,744,273	\$1,664,273	\$80,000	6.00%	4.5	12	\$2,248	(\$15,753)	\$0	\$11,587
Sep-14	\$1,563,239	\$1,488,320	\$74,919	8.00%	4.5	12	\$3,216	(\$14,982)	\$0	(\$1,147)
Oct-14	\$1,306,704	\$1,449,623	(\$142,919)	6.00%	4.5	12	(\$2,216)	\$2,468	\$0	(\$1,895)
Nov-14	\$1,562,893	\$1,665,148	(\$102,255)	6.00%	4.5	12	(\$2,301)	\$4,643	\$0	\$447
Dec-14	\$1,457,119	\$1,600,205	(\$143,086)	8.00%	4.5	12	(\$3,219)	(\$3,063)	\$0	(\$5,835)
Jan-15	\$1,890,784	\$1,587,741	\$303,043	6.00%	4.5	12	\$9,091	(\$4,865)	\$0	(\$1,609)
Feb-15	\$2,904,017	\$3,996,461	(\$1,092,444)	8.00%	4.5	12	(\$24,590)	\$10,626	\$0	(\$15,563)
Mar-15	\$3,531,586	\$2,700,740	\$830,846	6.00%	4.5	12	\$24,925	\$3,365	\$0	\$12,727
Apr-15	\$1,896,409	\$1,476,749	\$419,660	8.00%	4.5	12	\$12,590	\$0	\$0	\$25,317
May-15	\$1,378,493	\$1,454,075	(\$75,582)	6.00%	4.5	12	(\$1,701)	(\$8,920)	\$0	\$14,696
Jun-15	\$1,282,313	\$1,249,297	\$33,016	8.00%	4.5	12	\$990	\$13,733	\$0	\$29,419
Jul-15	\$1,669,185	\$1,571,208	\$97,977	6.00%	4.5	12	\$2,939	(\$14,239)	\$0	\$18,119
Aug-15	\$1,765,710	\$1,597,952	\$167,758	8.00%	4.5	12	\$5,033	(\$15,515)	\$0	\$7,637
Sep-15	\$1,261,738	\$1,585,930	(\$324,192)	6.00%	4.5	12	(\$7,294)	\$2,775	\$0	\$3,118
Oct-15								\$0	\$0	\$0
Nov-15								(\$4,605)	\$0	\$0
Dec-15								(\$4,956)	\$0	\$0

ATTACHMENT 2

PECO ENERGY COMPANY

REVISED GSA TARIFF

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued November 16, 2015

Effective January 1, 2016

**ISSUED BY: C. L. Adams – President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101**

NOTICE

PECO Energy Company

Supplement No. 136 to
Tariff Electric Pa. P.U.C. No. 4
Hundredth and Twentieth Revised Page No. 1
Supersedes Hundredth and Nineteenth Revised Page No. 1

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Generation Supply Adjustment for Procurement Class 4 Loads Greater than 500 KW – 32nd Revised Page No. 33A
Reflects monthly adjustment for Procurement Class 4 – hourly pricing pursuant to Order at Docket No. P-2014-2409362.

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**GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 4
 LOADS GREATER THAN 500KW**

Applicability: Effective June 1, 2015 this adjustment shall apply to all customers taking default service from the Company with demands greater than 500kw.

Hourly Pricing Service

Pricing: The rates below shall include the cost of procuring power to serve the default service customers plus associated administrative expenses incurred in acquiring power and gaining regulatory approval of any procurement strategy and plan. The rates for GSA 4 Hourly shall be effective the first of each month. If the balance of over/(under) recovery gets too large due to billing lag, the Company can file a reconciliation that will mitigate the subsequent impact. The cost for this hourly service rate shall be as follows:

Generation Supply Cost (GSC) = (C+R+AS+AC-E)/(1-T)+WCA where;

C= The PJM day ahead hourly price multiplied by the customers usage in the hour summed up for all hours in the month

$$\Sigma \text{PJM}_{DA} \times \text{usage} / (1-\text{LL})$$

PJM_{DA} – PJM on day ahead hourly price.

Usage - Electricity used by an end use customer.

R = The PJM reliability pricing model (RPM) charge for month for the customer. The RPM charge shall be the customers peak load contribution as established for PJM purposes multiplied by the current RPM monthly charge and the PJM established reserve margin adjustment.

PLC x (1+ RM) x P_{RPM} x Bill Days

PLC = Peak load contribution

RM = Reserve margin adjustment per PJM

P_{RPM} = Capacity price per MW-day

AC = Administrative Cost - This includes an allocation of the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement strategy, legal fees incurred gaining approval of the plan, and any other costs associated with designing and implementing a procurement plan divided by the total default service sales and then multiplied by the customers usage for the month. Administrative Costs also includes any other costs incurred to implement retail market enhancements directed by the Commission in its Retail Market Investigation at Docket No. I-2011-2237952, or any other applicable docket that are not recovered from EGSs or through another rate.

A / S x Usage

A = Administrative cost

S = Default service sales

AS = The cost, on a \$/MWH basis, of acquiring ancillary services from PJM and of complying with the Alternative Energy Portfolio Standard, multiplied by the customers usage for the month and divided by (1-LL). Congestion charges including the proceeds and costs from the exercise of Auction Revenue Rights shall be included in this component. Ancillary services shall be those included in the Supply Master Agreement as being the responsibility of the supplier.

$$((\text{PJM}_{AS} \times \text{Usage} * 1 / (1-\text{LL}) + \text{AEPS} / \text{S}_{\text{AEPS}} \times \text{Usage})$$

PJM_{AS} = \$/MWH charged by PJM for ancillary services

AEPS = Cost of complying with the alternative energy portfolio standard

S_{AEPS} = Sales for which AEPS cost is incurred

If the supplier provides the ancillary services and AEPS cost then the customer shall be charged the supplier's rate for these services times usage and divided by (1-LL).

Auction Revenue Rights (ARR) = Allocated annually by PJM to Firm transmission customers, the ARR's allow a Company to select rights to specific transmission paths in order to avoid congestion charges

LL = Line loss factor as provided in the Company's Electric Generation Supplier Coordination Tariff Rule 6.6 based upon the customers distribution rate class adjusted to remove losses included in the PJM LMP

T = The currently effective gross receipts tax rate

E - $\Sigma O / (U) / S_4 \times \text{usage}$ where

E = Over/under recovery as calculated in the reconciliation

S₄ = Procurement class four sales

WC = 0.04¢/kWh for working capital associated with power purchases

WCA = Individual customer sales x WC

Procedure: The "E" factor shall be updated monthly in conjunction with the Reconciliation. Monthly reconciliations shall be recovered over a one month period after the occurrence of a quarter.

Tariff Rate	GS	PD	HT	EP
Hourly Pricing Adder* (cents/kWh)	2.37	2.37	2.35	2.35

(I)

* Includes administrative cost (AC), ancillary service charge (AS), E factor (E) and working capital (WC).

(I) Denotes Increase