



An Exelon Company

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

December 18, 2015

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

**SUBJECT: State Tax Adjustment Surcharge (STAS) Filing - Electric
SUPPLEMENT NO. 143 TO TARIFF ELECTRIC - PaPUC NO. 4
Issued December 18, 2015 - to become effective on January 1, 2016**

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission eight copies each of the following:

- 1) Supplement No. 143 to Tariff Electric - PaPUC No. 4.
- 2) Computation sheets showing the derivation of the new State Tax Adjustment Surcharge value.

PECO has recalculated the State Tax Adjustment Surcharge (STAS) value to reflect current PURTA assessments resulting from tax rate changes and the reconciliation of prior STAS collections.

The new surcharge is a value of 0.00%, which will be effective January 1, 2016, and replaces the present **credit** value of 0.27%. A monthly bill for a residential customer using 500 kWh will increase by eleven cents, or 0.13%, from \$84.10 to \$84.21.

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.

Would you please acknowledge receipt of the foregoing on the enclosed copy of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "RW", 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

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued December 18, 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. 143 to
Tariff Electric Pa. P.U.C. No. 4
Hundredth and Twenty-Six Revised Page No. 1
Supersedes Hundredth and Twenty-Five Revised Page No. 1

LIST OF CHANGES MADE BY THIS SUPPLEMENT

State Tax Adjustment Clause - 6th Revised Page No. 30

Effective January 1, 2016, the State Tax Adjustment Clause will reflect a value of 0.00%.

PECO Energy Company

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STATE TAX ADJUSTMENT CLAUSE

In addition to the net charges provided for in this tariff, a value of 0.00% will apply to all PaPUC jurisdictional distribution charges in the Base Rates and Riders, effective January 1, 2016.

(I)
(C)

Whenever any of the tax rates used in the calculation of the surcharge are changed, or recoveries are authorized under Sections 2806, 2809 or 2810 of the Competition Act, the surcharge will be recomputed as prescribed by the Commission. The recalculation will be submitted to the Commission within ten days after the change occurs and the effective date shall be ten days after filing.

In addition, if a recalculation is submitted as a result of a tax rate change (including the Revenue Neutral Reconciliation rate) the Company will thereafter file each year by December 21 annual updates or revisions with the Commission which will reflect only this tax change. These annual updates will be effective ten days after filing and will continue until such time as the effect of the change in tax rates has been included in base rates.

(I) Denotes Increase
(C) Denotes Change

PECO Energy-Electric Operations
State Tax Adjustment Surcharge
Effective January 1, 2016

<u>Calculation of STAS Effective January 1, 2016</u>		<u>Reference</u>
1 . Capital Stock Tax - 2016	\$0	Note (a)
2 . PURTA Assessment - 8/1/15	(\$233,644)	Att. A, Pg. 3, Ln. 5
3 . PURTA Supplemental Assessment - 8/1/15	(\$16)	Att. A, Pg. 4, Ln. 17
4 . 1307 (g.1) Gross Receipts Tax	\$0	Att. A, Pg. 2, Ln. 16
5 . Reconciliation of Prior STAS	<u>\$176,957</u>	Att. B, Pg. 1, Ln. 8
6 . Net Due from (to) Customers	(\$56,703)	Ln. 1+ Ln. 2 +Ln. 3 + Ln. 4 + Ln. 5
7 . Total Due from (to) Customers Including Gross Receipts Tax	(\$60,258)	Ln. 6 / (1-0.059)
8 . Operating Revenues Subject to STAS from January 1, 2016 through December 31, 2016	\$1,407,541,142	Att. A, Pg. 2, Ln. 15
9 . State Tax Adjustment Surcharge	0.00%	Ln. 7 / Ln. 8

(a) The 2016 capital stock tax rate was reflected at Docket No. R-2015-2468981, the Company's 2015 distribution base rate case.

PECO Energy-Electric Operations
Computation of Operating Revenues Subject to 2016 STAS

		<u>Reference</u>
1 . <u>Booked Revenue from Sales</u>	\$2,232,887,499	2014 FERC Form 1, Pg. 300, Ln. 12
2 . Less : Non - jurisdictional revenue		
Sales for Resale	\$5,968,068	2014 FERC Form 1, Pg. 300, Ln. 11
3 . Less: Unbilled Revenues	(\$15,040,484)	2014 FERC Form 1, Pg. 304, Ln. 42
Surcharge Over/Under Collections Included in Revenue	\$943,008	Company Records
STAS Revenue Included in Line 1	<u>(\$2,587,115)</u>	Company Records
4 . <u>Operating Revenues Subject to STAS</u> <u>Before Adjustments</u>	\$2,243,604,022	
5 . Less: Transmission Charges Included in Lines 1 through 3	\$87,393,664	Company Records
6 . Less:		
Energy and Capacity Charges Included in Lines 1 through 3	\$923,710,767	Company Records
7 . Plus: Full Year Effect of Smart Meter Cost Recovery Surcharge	(\$48,363,600)	Company filing on December 16, 2014 at Docket No. M-2009- 2123944
8 . Plus: Full Year Effect of Energy Efficiency and Conservation Program	(\$5,760,434)	Company filing on March 29, 2013 at Docket No. M-2012- 2333992
9 . Plus: Proforma Distribution Adjustments from Change in USFC Rate	\$4,949,465	Company filing on October 14, 2015 at Docket No. M-2015- 2501165
10 . Plus: Full Year Effect of Non-Bypassable Transmission Charge in Distribution Rates	 \$95,250,233	 Company Filing on November 16, 2015 at Docket No. P-2014- 2409362
11 . Plus: Full Year Effect of Year 2015 Distribution Base Rate Case Revenue	\$126,996,056	Docket No. R-2015-2468981 Electric Base Rate Case
12 . Plus: Customer Assistance Program In-Program Arrearage Forgiveness, Year 2015 Distribution Base Rate Case	\$2,000,000	Docket No. R-2015-2468981 Electric Base Rate Case
13 . Plus: Proforma Adjustment of Tax Accounting Repair Credit from Year 2015 Distribution Base Rate Case	(\$33,864)	Docket No. R-2015-2468981 Electric Base Rate Case
14 . Plus: Proforma Consumer Education Cost Recovery	<u>\$3,695</u>	Company filing on January 30, 2015 at Docket No. R-2009- 2099208
15 . Adjusted Base Revenues for 2016 STAS	\$1,407,541,142	
16 . 0.0 Mill GRT PURTA Surcharge	\$0	Ln. 15 * 0.0000

PECO Energy
2014 PURTA Adjustment

	<u>Distribution</u>	<u>Total</u>
Per August 1, 2015 Assessment (a)		
1 . Tax Base	\$154,987,639	\$271,622,221
2 . Tax @ 30.9176 Mills	\$4,791,846	\$8,397,907
 2015 Rate Case PURTA		
3 . Tax Base	\$154,987,639	\$271,622,221
4 . Tax @ 32.4251 Mills	<u>\$5,025,490</u>	<u>\$8,807,378</u>
 5 . Amount Due from / (to) Customers	(\$233,644)	(\$409,471)

(a) See Attachment B, Pg. 3

PECO Energy
Supplemental PURTA Adjustments

Per August 1, 2015 Assessment (a)	<u>Transmission & Distribution / Distribution (b)</u>	<u>Total</u>
1 . Adjustment for 1998 Tax Year	\$1,941	\$9,128
2 . Adjustment for 1999 Tax Year	(\$150)	(\$963)
3 . Adjustment for 2000 Tax Year	(\$217)	(\$249)
4 . Adjustment for 2001 Tax Year	(\$347)	(\$403)
5 . Adjustment for 2002 Tax Year	(\$401)	(\$463)
6 . Adjustment for 2003 Tax Year	(\$38)	(\$44)
7 . Adjustment for 2004 Tax Year	\$143	\$168
8 . Adjustment for 2005 Tax Year	\$127	\$151
9 . Adjustment for 2006 Tax Year	\$141	\$168
10 . Adjustment for 2007 Tax Year	\$25	\$29
11 . Adjustment for 2008 Tax Year	\$181	\$209
12 . Adjustment for 2009 Tax Year	\$42	\$82
13 . Adjustment for 2010 Tax Year	\$27	\$53
14 . Adjustment for 2011 Tax Year	\$56	\$108
15 . Adjustment for 2012 Tax Year	\$489	\$948
16 . Adjustment for 2013 Tax Year	<u>(\$2,035)</u>	(\$3,672)
17 . Amount Due from / (to) Customers	(\$16)	N.A.

(a) See Attachment B, Pg. 3

(b) Years 1998 through 2008 reflect Transmission and Distribution.
Year 2009 and onward reflect Distribution.

PECO Energy-Electric Operations
State Tax Adjustment Surcharge Reconciliation
For the Year 2015

Reconciliation of Current STAS

Reference

1 . 1307 (g.1) Gross Receipts Tax	\$0	12/19/14 STAS Filing, Att. A, Pg. 1, Ln. 4
2 . Capital Stock Tax - 2015	(\$3,792,610)	12/19/14 STAS Filing, Att. A, Pg. 1, Ln. 1
3 . PURTA Assessment - 8/11/14	\$781,524	12/19/14 STAS Filing, Att. A, Pg. 1, Ln. 2
4 . PURTA Supplemental Assessment - 8/11/14	(\$203,566)	12/19/14 STAS Filing, Att. A, Pg. 1, Ln. 3
5 . Reconciliation of Prior STAS	(\$514)	12/19/14 STAS Filing, Att. A, Pg. 1, Ln. 5
6 . Subtotal	(\$3,215,166)	Ln. 1 + Ln. 2 + Ln. 3 + Ln. 4 + Ln. 5
7 . Less STAS Revenues Collected from Customers - 2015	(\$3,392,123)	Att. B, Pg. 2
8 . Net Due from/(to) Customers	\$176,957	Ln. 6 - Ln. 7

PECO Energy-Electric Operations
STAS Collections-Company Records
12 Months Ended December 31, 2015

Jan	(\$317,714)
Feb	(\$309,561)
Mar	(\$297,442)
April	(\$239,779)
May	(\$235,022)
Jun	(\$319,028)
July	(\$342,138)
Aug	(\$353,286)
Sep	(\$348,315)
Oct	(\$262,716)
Nov (est)	(\$271,688)
Dec (est)	<u>(\$308,120)</u>
Total	(\$3,604,807)
Less: GRT	<u>\$ (212,684)</u>
Net After GRT	(\$3,392,123)

BUREAU OF CORPORATION TAXES
PO BOX 280704
HARRISBURG PA 17128-0704



Rec'd
RE&F
AUG 04 2015

August 1, 2015

PECO ENERGY CO
2301 MARKET ST. N3-3

PHILADELPHIA, PA 19101

Re: 2014 Pennsylvania Public Utility Realty Tax
Notice of Determination

Dear Taxpayer:

Pursuant to the Public Utility Realty Tax Act, the Department of Revenue herein provides notice of the state taxable values of PURTA realty and the millage rate for tax year 2014. This notice is based on information provided by County Tax Assessor offices. Any discrepancies must be addressed with that agency and not with the Pennsylvania Department of Revenue. Please note, any net liabilities resulting from prior years' adjustments are due and payable along with the current year liability.

Payment of tax is required within 45 days of the mailing date of this notice. Previous payments, adjustments and credits should be taken into consideration. Payments and correspondence relevant to the PURTA tax or this notice should be mailed directly to the above address.

Thank you for your attention to this matter.

Sincerely,

Department of Revenue
Bureau of Corporation Taxes

Tax Year

2014

1) Total Realty Tax Equivalent (RTE):	\$ 29,362,626
2) Total State Taxable Value (STV) for all utilities:	\$ 1,259,247,379
3) PURTA Millage Rate, including 7.6 mills for PTA:	30 9176 mills
4) Utility STV:	\$271,622,221
5) Liability (Line 3 x Line 4):	\$8,397,907
6) Utility Transition Credit:	N/A
7) Utility Liability Adjustment:	N/A
8) Utility Transition Credit Adjustment:	N/A

PLEASE SEE PAGE 2
FOR YEARS 1998 - 2013

Name: **PECO ENERGY CO**

Account Id: 3500103

Details

Tax Year	2013	2012	2011	2010	2009	2008	2007	2006
1) Total RTE:	\$ 31,253,811	\$ 30,910,520	\$ 30,829,251	\$ 30,276,505	\$ 31,162,652	\$ 30,501,911	\$ 28,800,772	\$ 30,449,172
2) Total STV for all utilities:	\$ 1,259,754,188	\$ 1,269,514,218	\$ 1,347,520,199	\$ 1,412,140,567	\$ 1,531,932,032	\$ 1,619,674,276	\$ 1,644,753,057	\$ 1,615,261,850
3) PURTA Millage Rate:	32.4095 mills	31.9483 mills	30.4785 mills	29.0401 mills	27.9421 mills	26.4321 mills	25.1107 mills	26.4509 mills
			<u>Utility Adjustment</u>					
4) Utility STV:	\$235,383,649	\$243,089,124	\$271,685,592	\$264,005,981	\$275,894,454	\$297,504,840	\$294,963,435	\$279,002,515
5) Liability (Line 3 x Line 4):	\$7,628,666	\$7,766,284	\$8,280,569	\$7,666,760	\$7,709,070	\$7,863,678	\$7,406,738	\$7,379,868
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7) Utility Liability Adjustment:	(\$3,672)	\$948	\$108	\$53	\$82	\$209	\$29	\$168
8) Transition Credit Adjustment:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Tax Year	2005	2004	2003	2002	2001	2000	1999	1998
1) Total RTE:	\$ 30,620,318	\$ 29,306,428	\$ 29,257,263	\$ 28,940,807	\$ 29,020,985	\$ 27,994,927	\$ 38,513,788	\$ 40,720,076
2) Total STV for all utilities:	\$ 1,519,455,192	\$ 1,421,127,834	\$ 1,356,074,221	\$ 1,349,962,628	\$ 1,323,424,382	\$ 1,346,055,657	\$ 2,033,892,389	\$ 2,070,533,128
3) PURTA Millage Rate:	27.7522 mills	28.2220 mills	29.1750 mills	29.0382 mills	29.5287 mills	28.3977 mills	26.5360 mills	27.9313 mills
			<u>Utility Adjustment</u>					
4) Utility STV:	\$252,466,849	\$239,855,739	\$220,438,528	\$210,412,290	\$211,973,368	\$207,713,164	\$641,902,281	\$625,244,284
5) Liability (Line 3 x Line 4):	\$7,006,510	\$6,769,209	\$6,431,294	\$6,109,994	\$6,259,298	\$5,898,576	\$17,033,519	\$44,974,634
6) Utility Transition Credit:	N/A	N/A	N/A	N/A	\$0	\$0	\$0	\$100,000
7) Utility Liability Adjustment:	\$151	\$168	(\$44)	(\$463)	(\$403)	(\$249)	(\$963)	\$9,128
8) Transition Credit Adjustment:	N/A	N/A	N/A	N/A	\$0	\$0	\$0	\$0

If you do not agree with this Notice of Determination for 2014 PURTA, you may file a Petition for Recalculation with the Board of Finance and Revenue pursuant to Section 1109-A of the Tax Reform Code of 1971. The petition must be postmarked by the U.S. Postal Service or received by the Board of Finance and Revenue within 30 days of the mailing date of this notice. Under separate cover you will receive a Statement of Account. Please review it to confirm the status of payments made, transition credits and adjustments to previous tax liabilities or balances still due. Any overpayment is available for transfer within the account, and any net credit balance for the account is available for refund/assignment.