



An Exelon Company

Richard G. Webster, Jr.
Vice President

PECO
Regulatory Policy and Strategy
2301 Market Street
S15
Philadelphia, PA 19103

Telephone 215.841.4000
Fax 215.841.6208
www.peco.com
dick.webster@peco-energy.com

January 11, 2016

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

Re: Replacement Pages to PECO's new Tariff No. 5 which replaces Tariff No. 4, Supplement No. 142 - Tariff Electric – Pa PUC No. 4, originally issued on December 16, 2015 effective February 1, 2016, Docket No. M-2015-2518424

Dear Secretary Chiavetta:

PECO Energy Company previously issued Tariff Supplement No. 142 to PECO's Tariff Electric - Pa. P.U.C. No. 4 bearing an effective date of February 1, 2016. This supplement is being filed to replace in its entirety the filing made on December 16, 2015 as Supplement 142 to Tariff 4. In response to the Commission approving PECO's new Tariff No. 5 which replaces Tariff No. 4, the pages filed as Supplement 142 to Tariff 4 should be marked cancelled and Supplement No. 1 to Tariff 5 added to the case at Docket No. M-2015-2518424.

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,

Richard G. Webster, Jr. /RAS

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

Supplement No. 1 to
ELECTRIC PA. P.U.C. NO. 5

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PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued January 11, 2016 **Effective February 1, 2016**

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

NOTICE

PECO Energy Company

Supplement No. 1 to
Tariff Electric Pa. P.U.C. No. 5
First Revised Page No. 1
Supersedes Original Revised Page No. 1

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

**GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 4 LOADS GREATER THAN 500 KW – 1st Revised
Page No. 34**

Reflects monthly adjustment for Procurement Class 4 - hourly pricing pursuant to Order at Docket No. P-2014-2409362.

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PECO Energy Company

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

Applicability: 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

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

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. 1-2011-2237952 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.

$$((PJM_{AS} \times \text{Usage} \times 1 / (1-LL) + AEPS / S_{AEPS} \times \text{Usage})$$

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 = \$0.00034 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* (dollars/kWh)	-\$0.677	-\$0.686	-\$0.704	-\$0.704

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

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