



An Exelon Company

Richard G. Webster, Jr.  
Vice President

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

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

February 12, 2016

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. 5, Supplement No. 5 Effective April 1, 2016  
Docket No. P-2014-2409362**

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission Supplement No. 5 to PECO's Electric Tariff No. 5. This Supplement contains PECO's monthly adjustment to Procurement Class 4 - Hourly Pricing, Large Commercial & Industrial effective April 1, 2016 through April 30, 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 April 2016 of a credit value of 0.098 cents/kWh reflects a decrease of 0.498 cents/kWh compared to the rate in March 2016 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  
February 12, 2016  
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,

*Richard G. Webster, Jr. / BAS*

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 GSA 4 (Hourly) Ancillary Services and AEPS (AS Factor)  
and Administrative Costs  
For the Period April 1, 2016 through April 30, 2016**

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Additional AEPS Costs (2)	Administrative Cost (3)
Apr-16	\$105,945	\$5,146	\$2,578

**PECO GSA 4 (Hourly) Default kWh Sales**  
**For the Period April 1, 2016 through April 30, 2016**

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh	Rate EP kWh
Apr-16	25,276,593	1,379,046	241,682	23,655,866	-

**PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections  
For the Period January 1, 2011 through December 31, 2015  
and January 2016, February 2016 and March 2016**

Month	Default Supplier Hourly Pricing and PECO Provided Spot Energy and Capacity		Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance		Additional AEPS Costs		Administrative Cost	Total Cost Including Administrative Cost	Allocation Factor	Total Allocated Cost Including Administrative Cost
	(1)	(2)	(3)	(4)	(5)=(1)+(2)+(3)+(4)	(6)				
Jun-13	\$2,980,202	\$224,316	\$39,867	\$14,345	\$3,258,730	1.00000000	\$3,258,730			
Jul-13	\$2,368,706	\$178,290	\$49,877	\$15,534	\$2,612,407	1.00000000	\$2,612,407			
Aug-13	\$2,452,487	\$184,596	\$44,174	\$14,034	\$2,695,290	1.00000000	\$2,695,290			
Sep-13	\$2,315,849	\$174,311	\$43,771	\$17,640	\$2,551,571	1.00000000	\$2,551,571			
Oct-13	\$2,238,829	\$168,514	\$15,809	\$18,268	\$2,441,420	1.00000000	\$2,441,420			
Nov-13	\$2,560,197	\$192,703	\$188	\$15,521	\$2,768,609	1.00000000	\$2,768,609			
Jan-14	\$9,836,500	\$740,382	\$55	\$17,416	\$10,594,352	1.00000000	\$10,594,352			
Feb-14	\$4,202,849	\$316,343	\$21	\$18,003	\$4,537,216	1.00000000	\$4,537,216			
Mar-14	\$4,284,571	\$322,495	\$28	\$16,575	\$4,623,668	1.00000000	\$4,623,668			
Apr-14	\$2,065,398	\$155,460	\$44	\$15,593	\$2,236,495	1.00000000	\$2,236,495			
May-14	\$1,754,939	\$132,092	\$55	\$16,399	\$1,903,486	1.00000000	\$1,903,486			
Jun-14	\$1,632,096	\$122,846	\$37,677	\$17,165	\$1,809,784	1.00000000	\$1,809,784			
Jul-14	\$1,804,019	\$135,786	\$42,185	\$10,871	\$1,992,861	1.00000000	\$1,992,861			
Aug-14	\$1,490,120	\$112,160	\$50,989	\$11,004	\$1,664,273	1.00000000	\$1,664,273			
Sep-14	\$1,340,359	\$100,887	\$36,843	\$10,230	\$1,488,320	1.00000000	\$1,488,320			
Oct-14	\$1,302,380	\$98,029	\$36,425	\$12,789	\$1,449,623	1.00000000	\$1,449,623			
Nov-14	\$1,507,798	\$113,490	\$31,118	\$12,742	\$1,665,148	1.00000000	\$1,665,148			
Dec-14	\$1,445,501	\$108,801	\$36,229	\$9,674	\$1,600,205	1.00000000	\$1,600,205			
Jan-15	\$1,426,321	\$107,357	\$43,469	\$10,594	\$1,587,741	1.00000000	\$1,587,741			
Feb-15	\$3,705,969	\$278,944	(\$4)	\$11,552	\$3,996,461	1.00000000	\$3,996,461			
Mar-15	\$2,501,674	\$188,298	\$5	\$10,763	\$2,700,740	1.00000000	\$2,700,740			
Apr-15	\$1,360,040	\$102,369	\$131	\$14,209	\$1,476,749	1.00000000	\$1,476,749			
May-15	\$1,339,149	\$100,796	\$82	\$14,048	\$1,454,075	1.00000000	\$1,454,075			
Jun-15	\$1,140,336	\$85,832	\$16,806	\$6,323	\$1,249,297	1.00000000	\$1,249,297			
Jul-15	\$1,434,490	\$107,972	\$19,848	\$8,898	\$1,571,208	1.00000000	\$1,571,208			
Aug-15	\$1,430,249	\$107,653	\$52,973	\$7,077	\$1,597,952	1.00000000	\$1,597,952			
Sep-15	\$1,449,170	\$109,077	\$21,595	\$6,088	\$1,585,930	1.00000000	\$1,585,930			
Oct-15	\$1,278,620	\$96,240	\$14,810	\$9,774	\$1,399,444	1.00000000	\$1,399,444			
Nov-15	\$1,089,296	\$81,990	\$16,553	\$8,291	\$1,196,130	1.00000000	\$1,196,130			
Dec-15	\$968,453	\$72,894	\$28,893	\$8,324	\$1,078,565	1.00000000	\$1,078,565			
Jan-16										
Feb-16										
Mar-16										



PECO GSA 4 (Hourly) Actual Interest Calculation  
 For the Period January 1, 2011 through December 31, 2015  
 and January 2016, February 2016 and March 2016

Month	Current Period 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 (6)	(8)	(9)	(9) + (7) + (9) + (9)
Jun-13	\$3,228,001	\$3,258,730	(\$30,729)	6.00%	4.5	12	(\$691)	\$7,724	\$0	\$317,805
Jul-13	\$2,954,621	\$2,612,407	\$342,214	8.00%	4.5	12	\$10,266	(\$338,270)	\$0	\$324,838
Sep-13	\$2,550,227	\$2,695,290	(\$145,063)	6.00%	4.5	12	(\$3,264)	\$18,399	\$0	(\$3,166)
Oct-13	\$2,295,624	\$2,551,571	(\$255,947)	6.00%	4.5	12	(\$5,759)	\$3,570	\$0	\$11,969
Nov-13	\$2,493,364	\$2,441,420	\$51,944	8.00%	4.5	12	\$1,558	(\$10,977)	\$0	\$9,780
Dec-13	\$2,801,221	\$2,768,609	\$32,612	8.00%	4.5	12	\$978	(\$12,234)	\$0	\$361
Jan-14	\$5,859,857	\$10,594,352	(\$4,734,495)	6.00%	4.5	12	(\$106,526)	\$8,824	\$0	(\$108,895)
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	8.00%	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	(\$2,379)	\$3,170	\$0	\$21,193
Jul-14	\$1,933,152	\$1,992,861	(\$59,709)	6.00%	4.5	12	(\$1,343)	\$5,090	\$0	\$24,940
Aug-14	\$1,744,273	\$1,664,273	\$80,000	8.00%	4.5	12	\$2,400	(\$15,753)	\$0	\$11,587
Sep-14	\$1,563,239	\$1,488,320	\$74,919	8.00%	4.5	12	\$2,248	(\$14,982)	\$0	(\$1,147)
Oct-14	\$1,306,704	\$1,449,623	(\$142,919)	6.00%	4.5	12	(\$3,216)	\$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)	6.00%	4.5	12	(\$3,219)	(\$3,063)	\$0	(\$5,835)
Jan-15	\$1,890,784	\$1,587,741	\$303,043	8.00%	4.5	12	\$9,091	(\$4,865)	\$0	(\$1,609)
Feb-15	\$2,904,017	\$3,996,461	(\$1,092,444)	6.00%	4.5	12	(\$24,580)	\$10,626	\$0	(\$15,563)
Mar-15	\$3,531,586	\$2,700,740	\$830,846	8.00%	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	\$1,668,185	\$1,571,208	\$97,977	8.00%	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	\$1,652,723	\$1,399,444	\$253,279	8.00%	4.5	12	\$7,598	\$0	\$0	\$10,716
Nov-15	\$1,125,320	\$1,196,130	(\$70,810)	6.00%	4.5	12	(\$1,593)	(\$4,969)	\$0	\$4,154
Dec-15	\$1,258,419	\$1,078,565	\$179,854	8.00%	4.5	12	\$5,396	(\$3,547)	\$0	\$6,003
Jan-16								\$6,020	\$0	\$0
Feb-16								(\$8,032)	\$0	\$0
Mar-16								(\$1,324)	\$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 February 12, 2016**

**Effective April 1, 2016**

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

---

**NOTICE**

---

**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

**Generation Supply Adjustment for Procurement Class 4 Loads Greater than 500 KW – 3rd Revised Page No. 34**

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

**TABLE OF CONTENTS**

List of Communities Served.....	4
How to Use Loose-Leaf Tariff.....	5
Definition of Terms and Explanation of Abbreviations.....	6,7,8,9
<b>RULES AND REGULATIONS:</b>	
1. The Tariff.....	10
2. Service Limitations.....	10
3. Customer's Installation.....	11
4. Application for Service.....	12
5. Credit.....	13
6. Private-Property Construction.....	14 <sup>1</sup> , 15
7. Extensions.....	16,17
8. Rights-of-Way.....	18
9. Introduction of Service.....	19
10. Company Equipment.....	19
11. Tariff and Contract Options.....	20
12. Service Continuity.....	21
13. Customer's Use of Service.....	22
14. Metering.....	22
15. Demand Determination.....	23 <sup>1</sup>
16. Meter Tests.....	24
17. Billing and Standard Payment Options.....	25
18. Payment Terms & Termination of Service.....	26 <sup>1</sup> , 27
19. Unfulfilled Contracts.....	28
20. Cancellation by Customer.....	28
21. General.....	29
22. Rules For Designation of Procurement Class.....	29
23. EGS Switching.....	30
24. Load Data Exchange.....	30
STATE TAX ADJUSTMENT CLAUSE.....	31
GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 1, 2, 3.....	32 <sup>1</sup> , 33 <sup>1</sup>
GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 4.....	34 <sup>3</sup>
RECONCILIATION.....	35, 36
NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA).....	37
PROVISIONS FOR RECOVERY OF UNIVERSAL SERVICE FUND CHARGE (USFC).....	38
PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS.....	39 <sup>1</sup>
TRANSMISSION SERVICE CHARGE.....	40
NON-BYPASSABLE TRANSMISSION CHARGE (NBT).....	41
SMART METER COST RECOVERY SURCHARGE.....	42
PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC).....	43
PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS PHASE II.....	44
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC).....	45, 46, 47
<b>RATES:</b>	
Rate R Residence Service.....	48 <sup>1</sup>
Rate R-H Residential Heating Service.....	49 <sup>1</sup>
Rate RS-2 Net Metering.....	50, 51, 52
Rate GS General Service.....	53 <sup>1</sup> , 54
Rate PD Primary-Distribution Power.....	55 <sup>1</sup>
Rate HT High-Tension Power.....	56 <sup>1</sup>
Rate EP Electric Propulsion.....	57
Rate POL Private Outdoor Lighting.....	58, 59
Rate SL-S Street Lighting-Suburban Counties.....	60, 61
Rate SL-E Street Lighting Customer-Owned Facilities.....	62, 63
Rate TLCL Traffic Lighting Constant Load Service.....	64
Rate BLI Borderline Interchange Service.....	65
Rate AL Alley Lighting in City of Philadelphia.....	66
<b>RIDERS:</b>	
Applicability Index of Riders.....	67
Capacity Reservation Rider.....	68, 69, 70
CAP Rider - Customer Assistance Program.....	71 <sup>1</sup> , 72 <sup>1</sup>
Casualty Rider.....	73
Commercial/Industrial Direct Load Control Program Rider.....	74, 75
Construction Rider.....	76

**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

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

**PJM<sub>DA</sub>** – 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<sub>RPM</sub> x Bill Days**

**PLC** = Peak load contribution

**RM** = Reserve margin adjustment per PJM

**P<sub>RPM</sub>** = 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<sub>AS</sub>** = \$/MWH charged by PJM for ancillary services

**AEPS** = Cost of complying with the alternative energy portfolio standard

**S<sub>AEPS</sub>** = 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

**S<sub>4</sub>** = 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.

<b>Tariff Rate</b>	<b>GS</b>	<b>PD</b>	<b>HT</b>	<b>EP</b>
Hourly Pricing Adder* (dollars/kWh)	\$-0.00071	\$-0.00080	\$-0.00098	\$-0.00098

(D)

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

(D) Denotes Decrease