

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

August 16, 2016

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

SUBJECT: PECO Energy Company - Electric Smart Meter Cost Recovery Surcharge (SMCRS) – Electric Tariff No. 5 – Supplement No. 19, Effective September 1, 2016 Docket No. M-2009-2123944 and No. R-2015-2468981

Dear Secretary Chiavetta:

As required by Commission Order at Docket No. M-2009-2123944, PECO Energy Company (“PECO”) transmits for filing with the Pennsylvania Public Utility Commission the Electric Tariff No. 5 Supplement No. 19. This supplement contains PECO’s SMCRS for the period starting September 1, 2016. The following attachments are included in support of this filing:

- 1) Attachment 1 - Tariff pages reflecting the proposed SMCRS;
- 2) Attachment 2 – Computation sheets showing the derivation of the new SMCRS values

In accordance with PECO Energy Company’s – General Base Rate for Electric Operations – Docket No. R-2015-2468981, PECO “rolled” its smart meter costs into base distribution rates on January 1, 2016 and set the SMCRS to zero.

Although the on-going smart meter costs were rolled into base rates, any over/under collection balances that existed at January 1, 2016 needed to be refunded or recouped, as applicable, through the SMCRS. As such, PECO initiated recovery of the remaining over/under collection balances on March 1, 2016 to help ensure that the balances were fully recouped or refunded by the end of 2016. However, after recent review, PECO is making a revised filing to reset the SMCRS to further ensure recovery/refund by the end of 2016.

The current variable distribution rate for residential customers is \$0.00016/kWh. The current monthly fixed distribution rate per small and large commercial and industrial customers are (\$0.63) and \$10.95, respectively. The following proposed surcharges, which will be included in the appropriate distribution service charges, will be effective for scheduled billing cycles beginning on or after September 1, 2016:

Variable Distribution Service Charge for Residential Customers (Rates R and RH)	\$0.00019/kWh
Monthly Fixed Distribution Service Charge for Small Commercial and Industrial Customers (Rate GS)	(\$0.71) per Customer
Monthly Fixed Distribution Service Charge for Large Commercial and Industrial Customers (Rates PD, HT and EP)	\$12.68 per Customer

Once the balances have been recouped or refunded, as applicable, PECO will then eliminate the SMCRS through a future filing.

Rosemary Chiavetta, Secretary
August 16, 2016
Page 2

Please contact Richard Schlesinger, Manager, Retail Rates at 214-841-5771 if you have any questions.

Sincerely,



Richard G. Webster, Jr.
Vice President
Regulatory Policy & Strategy

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
R. A. Kanaskie Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick

Enclosures

Attachment 1

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

**2301 Market Street
Philadelphia, Pennsylvania 19101**

For List of Communities Served, See Page 4.

Issued ~~August 16, 2016~~

Effective September 1, 2016

Deleted: July

Deleted: 8

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

NOTICE

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
RULES AND REGULATIONS:
 1. The Tariff10
 2. Service Limitations10
 3. Customer's Installation11
 4. Application for Service.....12
 5. Credit.....13
 6. Private-Property Construction.....14¹, 15
 7. Extensions16,17
 8. Rights-of-Way.....18
 9. Introduction of Service.....19
 10. Company Equipment19
 11. Tariff and Contract Options.....20
 12. Service Continuity21
 13. Customer's Use of Service22
 14. Metering.....22
 15. Demand Determination23¹
 16. Meter Tests24
 17. Billing and Standard Payment Options.....25
 18. Payment Terms & Termination of Service26¹, 27
 19. Unfulfilled Contracts28
 20. Cancellation by Customer.....28
 21. General.....29¹
 22. Rules For Designation of Procurement Class.....29¹
 23. EGS Switching.....30¹
 24. Load Data Exchange.....30¹
STATE TAX ADJUSTMENT CLAUSE.....31
 GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 1 AND 2.....32³, 33³
 GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 333A³
 GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 434⁸
RECONCILIATION.....35¹, 36²
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 COSTS39¹
TRANSMISSION SERVICE CHARGE.....40¹
NON-BYPASSABLE TRANSMISSION CHARGE (NBT).....41¹
SMART METER COST RECOVERY SURCHARGE.....42²
PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC)43
PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS PHASE III.....44¹
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)45, 46, 47
RATES:
 Rate R Residence Service48⁸
 Rate R-H Residential Heating Service49
 Rate RS-2 Net Metering50, 51¹, 52
 Rate GS General Service53¹, 54
 Rate PD Primary-Distribution Power.....55
 Rate HT High-Tension Power.....56
 Rate EP Electric Propulsion.....57
 Rate POL Private Outdoor Lighting.....58, 59
 Rate SL-S Street Lighting-Suburban Counties60, 61
 Rate SL-E Street Lighting Customer-Owned Facilities62², 63
 Rate TLCL Traffic Lighting Constant Load Service.....64²
 Rate BLI Borderline Interchange Service65
 Rate AL Alley Lighting in City of Philadelphia.....66¹
RIDERS:
 Applicability Index of Riders.....67
 Capacity Reservation Rider68, 69, 70
 CAP Rider - Customer Assistance Program.....71¹, 72
 Casualty Rider73
 Commercial/Industrial Direct Load Control Program Rider74, 75
 Construction Rider76

Deleted: 8
 Deleted: Eighteenth
 Deleted: _
 Deleted: Seventeenth

Deleted: 1
 Deleted: ...
 Deleted: 5
 Deleted: 5
 Deleted: 5
 Deleted: 4
 Deleted: 4
 Deleted: 2

Deleted: 23
 Deleted: 23

Deleted: July
 Deleted: 8
 Deleted:

PECO Energy Company

SMART METER COST RECOVERY SURCHARGE (SMCRS)

Purpose: The purpose of this surcharge is to provide for full and current cost recovery of all remaining costs associated with the Company's Smart Meter Program after "roll-out" of the incremental costs in accordance with the Final Rate Order at Docket No. R-2015- 2468981.

Applicability: The surcharge shall be a per-customer charge calculated to the nearest one cent, which shall be added to the fixed distribution rates for billing purposes for all commercial and industrial customers with metered service. The surcharge shall be on a cents per kWh basis for residential customers, included in the variable distribution rates, calculated to the nearest one hundredth of a cent. The rate shall be calculated separately for each customer class (residential, small commercial and industrial, and large commercial and industrial).

Billing Provisions: The surcharge shall be calculated on a quarterly basis using the following formula:

$$SM(n) = \frac{E+I}{R(n)} \times \frac{1}{(1-T)}$$

SM(n) = smart meter cost for customer class "n" including over or under recovery and associated interest.

E – The estimated over or under recovery from the prior year. The reconciliation period shall be the 12 months ended June 30.

I – Interest on any over or under recovery balance. Interest shall be a rate of 6% and shall be calculated from the month of over or under collection to the mid-point of the recovery period.

n – rate class where: 1 = residential, 2 = small C&I, 3 = large C&I

Residential – Rates R, RH, = \$0.00019/kWh

Small C&I – Rate GS = (\$0.71)/Fixed Distribution Charge

Large C&I – Rates HT, PD, EP = \$12.68/Fixed Distribution Charge

R – The total delivery service customers for the commercial and industrial rate class for the application period where the application period shall be as defined in the filing schedule. In the case of the residential class it shall represent delivered sales for the application period.

T – The current Pennsylvania gross receipt tax rate included in base rates.

Filing Schedule: The estimated surcharge shall be filed 15 days prior to the start of the application period. Quarterly rates shall be effective on the first full billing cycle starting after January 1, April 1, July 1 and October 1. The quarterly rates will only be updated if the rate changes by more than 5%. The reconciliation filing shall be made on August 1 of each year. The resultant over or under recovery shall be included in the Smart Meter surcharge commencing on January 1 following the reconciliation filing. Effective January 1, 2016 and in accordance with the Final Rate Order at Docket No. R-2015-2468981, the SMCRS may be set on a more frequent basis than quarterly, and using revised R factor values, to ensure that any over/under recovery remaining after "roll-out" of the incremental costs are properly recouped or refunded as applicable. In addition, the 5% rate change limit will not apply. For any required SMCRS change in 2016, such tariff rates may be filed on 15 days' notice or less. If any over/under collection balance is expected to remain after December 31, 2016, the Company may propose an additional rate adjustment to ensure that the balance is eliminated. A final reconciliation statement will be filed within 30 days after the completion of the final over/under collection refund/recovery.

Deleted: 6
 Deleted: First
 Deleted: _____
 Deleted: Original

Deleted: <object>

(I)
 Deleted: 6
 Deleted: 63
 Deleted: DI
 Deleted: 0
 Deleted: 95

(D) Denotes Decrease
 (I) Denotes Increase

Deleted: ¶
 Deleted: (D) Denotes Decrease¶

Deleted: February
 Deleted: 5
 Deleted: March

Issued August 16, 2016

Effective September 1, 2016

PECO Energy Company

RATE R H RESIDENTIAL HEATING SERVICE

Deleted: 4
Deleted: Fifth
Deleted: ____
Deleted: Fourth

AVAILABILITY.

Single phase service to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for domestic requirements when such service is provided through one meter and where the dwelling is heated by specified types of electric space heating systems. The systems eligible for this rate are (a) permanently connected electric resistance heaters where such heaters supply all of the heating requirements of the dwelling, (b) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by electric resistance heaters, and (c) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by non electric energy sources. All space heating installations must meet Company requirements. This rate schedule is not available for commercial, institutional or industrial establishments.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service provided hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service provided by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date, must be individually metered.

CURRENT CHARACTERISTICS. Standard single phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$8.43
FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS: \$1.92

VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS. (June through September)

\$0.06828 per kWh for all kWh.

(I)

Deleted: 5

WINTER MONTHS. (October through May)

\$0.05016 per kWh for all kWh.

(I)

Deleted: 3

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

MINIMUM CHARGE. The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

COMBINED RESIDENTIAL AND COMMERCIAL SERVICE. Where a portion of the service provided is used for commercial purposes, the appropriate general service rate is applicable to all service; or, at the option of the customer, the wiring may be so arranged that the residential service may be separately metered and this rate is then applicable to the residential service only.

PAYMENT TERMS. Standard.

(I) Denotes Increase

Issued August 16, 2016

Effective September 1, 2016

Deleted: May 20
Deleted: . . .
Deleted: June

Deleted: 4
Deleted: Fifth
Deleted: ___
Deleted: Fourth

PECO Energy Company

RATE R H RESIDENTIAL HEATING SERVICE

AVAILABILITY.

Single phase service to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for domestic requirements when such service is provided through one meter and where the dwelling is heated by specified types of electric space heating systems. The systems eligible for this rate are (a) permanently connected electric resistance heaters where such heaters supply all of the heating requirements of the dwelling, (b) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by electric resistance heaters, and (c) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by non electric energy sources. All space heating installations must meet Company requirements. This rate schedule is not available for commercial, institutional or industrial establishments.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service provided hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service provided by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date, must be individually metered.

CURRENT CHARACTERISTICS. Standard single phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$8.43
FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS: \$1.92

VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS. (June through September)
\$0.0682 per kWh for all kWh.

WINTER MONTHS. (October through May)
\$0.0501 per kWh for all kWh

(I) |
(I) |

Deleted: 5
Deleted: 3

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

MINIMUM CHARGE. The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

COMBINED RESIDENTIAL AND COMMERCIAL SERVICE. Where a portion of the service provided is used for commercial purposes, the appropriate general service rate is applicable to all service; or, at the option of the customer, the wiring may be so arranged that the residential service may be separately metered and this rate is then applicable to the residential service only.

PAYMENT TERMS. Standard.

(I) Denotes Increase

Issued August 16, 2016

Effective September 1, 2016

Deleted: May 20
Deleted: . .
Deleted: June

PECO Energy Company

RATE-GS GENERAL SERVICE

- Deleted: 4
- Deleted: Fifth
- Deleted: _____
- Deleted: Fourth

AVAILABILITY.

Service through a single metering installation for offices, professional, commercial or industrial establishments, governmental agencies, and other applications outside the scope of the Residence Service rate schedules. For service configurations that are nominally 120/208 volts, 3 phase, 4 wires and the service capacity exceeds 750 kVa for transformers located either inside or outside the building, the only rate option available to the customer will be Rate HT. For service configurations that are nominally 277/480 volts, 3 phase, 4 wires and capacity exceeds either 750 kVa for transformers located inside the building or 1,500 kVa for transformers located outside the building, the only rate option available to the customer will be Rate HT.

CURRENT CHARACTERISTICS.

Standard single-phase or polyphase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE:

- \$ 13.54 for single-phase service without demand measurement, or
- \$ 17.45 for single-phase service with demand measurement, or
- \$ 42.79 for polyphase service.

- (D) Deleted: 62
- (D) Deleted: 53
- (D) Deleted: 87

VARIABLE DISTRIBUTION SERVICE CHARGE:

- \$8.11 per kW of billed demand
- (\$0.0006) per kWh for all kWh

ENERGY EFFICIENCY CHARGE: (\$0.00048) per kWh

- (D) Deleted: (D)

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2, 3 or 4

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

DETERMINATION OF DEMAND.

The billing demand may be measured where consumption exceeds 1,100 kilowatt-hours per month for three consecutive months; or where load tests indicate a demand of five or more kilowatts; or where the customer requests demand measurement. Measured demands will be determined to the nearest 0.1 of a kilowatt but will not be less than 1.2 kilowatts, and will be adjusted for power factor in accordance with the Rules and Regulations.

For those customers with demand measurement the billing demand will be determined as follows:

- (a) For customers with demand up to 500 kW, the billing demand shall be the measured demand, with a minimum billing demand of 1.2 kW.
- (b) For customers with demand greater than 500 kW, the billing demand shall be the greater of (i) the measured demand, (ii) 40% of the maximum contract demand; or (iii) the maximum measured demand from the prior year. These customers will be identified according to the process listed in Tariff Rule 22.

If a measured demand customer has less than 1,100 monthly kilowatt-hours of use, the monthly billing demand will be the measured demand or the metered monthly kilowatt-hours divided by 175 hours, whichever is less, but not less than 1.2 kilowatts.

For those customers without demand measurement, the monthly billing demand will be computed by dividing the metered monthly kilowatt-hours by 175 hours. The computed demand will be determined to the nearest 0.1 of a kilowatt, but will not be less than 1.2 kilowatts.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract. The 25 kW minimum shall apply to the Energy Supply Charge and the Transmission Supply Charge.

MINIMUM CHARGE.

The monthly minimum charge for customers without demand measurement will be the Fixed Distribution Service Charge. The monthly minimum charge for customers with demand measurement will be the Fixed Distribution Service Charge, plus a charge of \$4.96 per KW of billing demand. In addition to the above, for customers in Procurement Class 4 charges will be assessed on PJM's reliability pricing model.

(D) Denotes Decrease

Issued August 16, 2016

Effective September 1, 2016

- Deleted: DI
- Deleted: DecreaseIn
- Deleted: May 20
- Deleted: . . .
- Deleted: June

PECO Energy Company

RATE-PD PRIMARY DISTRIBUTION POWER

AVAILABILITY.

Untransformed service from the primary supply lines of the Company's distribution system where the customer installs, owns, and maintains any transforming, switching and other receiving equipment required. However, standard primary service is not available in areas where the distribution voltage has been changed to either 13 kV or 33 kV unless the customer was served with standard primary service before the conversion of the area to either 13 kV or 33 kV. This rate is available only for service locations served on this rate on July 6, 1987 as long as the original primary service has not been removed. PECO Energy may refuse to increase the load supplied to a customer served under this rate when, in PECO Energy's sole judgment, any transmission or distribution capacity limitations exist. If a customer changes the billing rate of a location being served on this rate, PECO Energy may refuse to change that location back to Rate PD when, in PECO Energy's sole judgment, any transmission or distribution capacity limitations exist.

CURRENT CHARACTERISTICS.

Standard primary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$30.877

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$6.93 per kW of billing demand
(\$0.0002) per kWh for all kWh

ENERGY EFFICIENCY CHARGE: \$0.58 per kW of Peak Load Contribution

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2, 3 or 4

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, NON-BYPASSABLE TRANSMISSION CHARGE, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. The 25kW minimum shall apply to the Energy Supply Charge and the Transmission Supply Charge. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Service Charge, plus the charge per kW component of the Variable Distribution Service Charge, plus in the case of Procurement Class 4 customers, charges assessed under PJM's reliability pricing model.

TERM OF CONTRACT.

The initial contract term shall be for at least three years.

PAYMENT TERMS.

Standard.

- Deleted: 4
- Deleted: Fourth
- Deleted: ..
- Deleted: ____
- Deleted: Third

- Deleted: 7
- Deleted: 04

- Deleted: (D)

(I) Denotes Increase

Issued August 16, 2016

Effective September 1, 2016

- Deleted: D
- Deleted: Decrease
- Deleted: May 20
- Deleted: . . .
- Deleted: June

PECO Energy Company

RATE-HT HIGH TENSION POWER

Deleted: 4
Deleted: Fourth
Deleted: _____
Deleted: Third

AVAILABILITY.

Untransformed service from the Company's standard high tension lines, where the customer installs, owns, and maintains, any transforming, switching and other receiving equipment required.

CURRENT CHARACTERISTICS.

Standard high tension service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$31~~2.30~~

(I) Deleted: 0

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$4.67 per kW of billing demand
(\$0.0002) per KWH for all kWh

Deleted: 57

HIGH VOLTAGE DISTRIBUTION DISCOUNT:

For customers supplied at 33,000 volts: \$0.15 per kW of measured demand.
For customers supplied at 69,000 volts: \$0.48 per kW for first 10,000 kW of measured demand.
For customers supplied over 69,000 volts: \$0.48 per kW for first 100,000 kW of measured demand.

ENERGY EFFICIENCY CHARGE: \$0.58 per kW of Peak Load Contribution

Deleted: (D)

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2, 3 or 4.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS, NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM, SMART METER COST RECOVERY SURCHARGE PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract. The 25 kW minimum shall apply to the Energy Supply Charge and the Transmission Supply Charge.

CONJUNCTIVE BILLING OF MULTIPLE DELIVERY POINTS.

If the load of a customer located at a delivery point becomes greater than the capacity of the standard circuit or circuits established by the Company to supply the customer at that delivery point, upon the written request of the customer, the Company will establish a new delivery point and bill the customer as if it were delivering and metering the two services at a single point, as long as installation of the new service is, in the Company's opinion, less costly for the Company than upgrading the service to the first delivery point and provided that such multi-point delivery is not disadvantageous to the Company.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Service Charge, plus the charge per kW component of the Variable Distribution Service Charge, and modify less the high voltage discount where applicable plus in the case of Procurement Class 4 customers, charges assessed on PJM's reliability pricing model.

TERM OF CONTRACT.

The initial contract term shall be for at least three years.

PAYMENT TERMS.

Standard.

Deleted: D
Deleted: Decrease
Deleted: ¶
Deleted: May 20
Deleted: . . .
Deleted: June

(I) Denotes Increase

Issued August 16, 2016

Effective September 1, 2016

PECO Energy Company

Deleted: 4
Deleted: Second
Deleted: _____
Deleted: _
Deleted: First

RATE EP ELECTRIC PROPULSION

AVAILABILITY.

This rate is available only to the National Rail Passenger Corporation (AMTRAK) and to the Southeastern Pennsylvania Transportation Authority (SEPTA) for untransformed service from the Company's standard high tension lines, where the customer installs, owns, and maintains any transforming, switching and other receiving equipment required and where the service is provided for the operation of electrified transit and railroad systems and appurtenances.

CURRENT CHARACTERISTICS.

Standard sixty hertz (60 Hz) high tension service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$1,305.03 per delivery point

(0)

Deleted: 3
Deleted: 3

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$4.20 per kW of billing demand
(\$0.0002) per kWh for all kWh

HIGH VOLTAGE DISTRIBUTION DISCOUNT:

For delivery points supplied at 33,000 volts: \$0.15 per kW.
For delivery points supplied at 69,000 volts: \$0.48 per kW for first 10,000 kW of measured demand.
For delivery points supplied over 69,000 volts \$0.48 per kW for first 100,000 kW of measured demand.

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 4.

ENERGY EFFICIENCY CHARGE: \$0.58 per kW of Peak Load Contribution

Deleted: (D)

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS, NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 5,000 kilowatts. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract.

CONJUNCTIVE BILLING OF MULTIPLE DELIVERY POINTS.

If the load of a customer located at a delivery point becomes greater than the capacity of the standard circuit or circuits established by the Company to supply the customer at that delivery point, upon the written request of the customer, the Company will establish a new delivery point and bill the customer as if it were delivering and metering the two services at a single point, as long as installation of the new service is, in the Company's opinion, less costly for the Company than upgrading the service to the first delivery point and provided that such multi-point delivery is not disadvantageous to the Company.

(0) Denotes Increase

Deleted: D
Deleted: Decrease

Issued August 16, 2016

Effective September 1, 2016

Deleted: May 20
Deleted: . . .
Deleted: June

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued August 16, 2016

Effective September 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

Smart Meter Cost Recovery Surcharge (SMCRS) 2nd Revised Page No. 42

Reflects updated Smart Meter cost recovery surcharges effective September 1, 2016.

Rate R - Residence Service 6th Revised Page No. 48

The Variable Distribution Service Charge is increased due to Smart Meter Surcharge.

Rate RH- Residential Heating Service 6th Revised Page No. 49

The Variable Distribution Service Charge is increased due to Smart Meter Surcharge.

Rate GS - General Service 6th Revised Page No. 53

The Fixed Distribution Service Charge is decreased due to Smart Meter Surcharge.

Rate PD - Primary Distribution Power 5th Revised Page No. 55

The Fixed Distribution Service Charge is increased due to Smart Meter Surcharge.

Rate HT - High Tension Power 5th Revised Page No. 56

The Fixed Distribution Service Charge is increased due to Smart Meter Surcharge.

Rate EP - Electric Propulsion 3rd Revised Page No. 57

The Fixed Distribution Service Charge is increased due to Smart Meter Surcharge.

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
RULES AND REGULATIONS:	
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 ¹ , 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 ¹
16. Meter Tests	24
17. Billing and Standard Payment Options.....	25
18. Payment Terms & Termination of Service	26 ¹ , 27
19. Unfulfilled Contracts	28
20. Cancellation by Customer.....	28
21. General	29 ¹
22. Rules For Designation of Procurement Class.....	29 ¹
23. EGS Switching	30 ¹
24. Load Data Exchange.....	30 ¹
STATE TAX ADJUSTMENT CLAUSE	31
GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 1 AND 2.....	32 ³ , 33 ³
GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 3	33A ³
GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASS 4	34 ⁸
RECONCILIATION	35 ¹ , 36 ²
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 ¹
TRANSMISSION SERVICE CHARGE.....	40 ¹
NON-BYPASSABLE TRANSMISSION CHARGE (NBT).....	41 ¹
SMART METER COST RECOVERY SURCHARGE.....	42 ²
PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC)	43
PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS PHASE III.....	44 ¹
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)	45, 46, 47
RATES:	
Rate R Residence Service	48 ⁶
Rate R-H Residential Heating Service	49 ⁶
Rate RS-2 Net Metering	50, 51 ¹ , 52
Rate GS General Service.....	53 ⁶ , 54
Rate PD Primary-Distribution Power.....	55 ⁵
Rate HT High-Tension Power.....	56 ⁵
Rate EP Electric Propulsion.....	57 ³
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 ² , 63
Rate TLCL Traffic Lighting Constant Load Service.....	64 ²
Rate BLI Borderline Interchange Service	65
Rate AL Alley Lighting in City of Philadelphia.....	66 ¹
RIDERS:	
Applicability Index of Riders.....	67
Capacity Reservation Rider	68, 69, 70
CAP Rider - Customer Assistance Program.....	71 ⁴ , 72 ⁴
Casualty Rider	73
Commercial/Industrial Direct Load Control Program Rider	74, 75
Construction Rider	76

SMART METER COST RECOVERY SURCHARGE (SMCRS)

Purpose: The purpose of this surcharge is to provide for full and current cost recovery of all remaining costs associated with the Company's Smart Meter Program after "roll-out" of the incremental costs in accordance with the Final Rate Order at Docket No. R-2015- 2468981.

Applicability: The surcharge shall be a per-customer charge calculated to the nearest one cent, which shall be added to the fixed distribution rates for billing purposes for all commercial and industrial customers with metered service. The surcharge shall be on a cents per kWh basis for residential customers, included in the variable distribution rates, calculated to the nearest one hundredth of a cent. The rate shall be calculated separately for each customer class (residential, small commercial and industrial, and large commercial and industrial).

Billing Provisions: The surcharge shall be calculated on a quarterly basis using the following formula:

$$SM(n) = \frac{E+I}{R(n)} \times \frac{1}{(1-T)}$$

SM(n) = smart meter cost for customer class "n" including over or under recovery and associated interest.

E – The estimated over or under recovery from the prior year. The reconciliation period shall be the 12 months ended June 30.

I – Interest on any over or under recovery balance. Interest shall be a rate of 6% and shall be calculated from the month of over or under collection to the mid-point of the recovery period.

n – rate class where: 1 = residential, 2 = small C&I, 3 = large C&I

Residential – Rates R, RH, = \$0.00019/kWh	(I)
Small C&I – Rate GS = (\$0.71)/Fixed Distribution Charge	(D)
Large C&I – Rates HT, PD, EP = \$12.68/Fixed Distribution Charge	(I)

R – The total delivery service customers for the commercial and industrial rate class for the application period where the application period shall be as defined in the filing schedule. In the case of the residential class it shall represent delivered sales for the application period.

T – The current Pennsylvania gross receipt tax rate included in base rates.

Filing Schedule: The estimated surcharge shall be filed 15 days prior to the start of the application period. Quarterly rates shall be effective on the first full billing cycle starting after January 1, April 1, July 1 and October 1. The quarterly rates will only be updated if the rate changes by more than 5%. The reconciliation filing shall be made on August 1 of each year. The resultant over or under recovery shall be included in the Smart Meter surcharge commencing on January 1 following the reconciliation filing. Effective January 1, 2016 and in accordance with the Final Rate Order at Docket No. R-2015-2468981, the SMCRS may be set on a more frequent basis than quarterly, and using revised R factor values, to ensure that any over/under recovery remaining after "roll-out" of the incremental costs are properly recouped or refunded as applicable. In addition, the 5% rate change limit will not apply. For any required SMCRS change in 2016, such tariff rates may be filed on 15 days' notice or less. If any over/under collection balance is expected to remain after December 31, 2016, the Company may propose an additional rate adjustment to ensure that the balance is eliminated. A final reconciliation statement will be filed within 30 days after the completion of the final over/under collection refund/recovery.

(D) Denotes Decrease
(I) Denotes Increase

RATE R RESIDENCE SERVICE

AVAILABILITY.

Single phase service in the entire territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for the domestic requirements of its members when such service is supplied through one meter. Service is also available for related farm purposes when such service is supplied through one meter in conjunction with the farmhouse domestic requirements.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date must be individually metered for their basic service supply. Centrally supplied master metered heating, cooling or water heating service may be provided if such supply will result in energy conservation.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost sharing basis; (c) the premises owned by a church, and primarily designated or set aside for, and actually occupied and used as, the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and the resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; (c) a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37 1/2 amperes at 240 volts.

CURRENT CHARACTERISTICS. Standard single phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$8.43

FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS: \$1.92

VARIABLE DISTRIBUTION SERVICE CHARGE:

All kWhs \$0.06828 per kWh

(I)

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE, NON-BYPASSABLE TRANSMISSION CHARGE,, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

PAYMENT TERMS. Standard.

(I) Denotes Increase

RATE R H RESIDENTIAL HEATING SERVICE

AVAILABILITY.

Single phase service to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for domestic requirements when such service is provided through one meter and where the dwelling is heated by specified types of electric space heating systems. The systems eligible for this rate are (a) permanently connected electric resistance heaters where such heaters supply all of the heating requirements of the dwelling, (b) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by electric resistance heaters, and (c) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by non electric energy sources. All space heating installations must meet Company requirements. This rate schedule is not available for commercial, institutional or industrial establishments.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service provided hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service provided by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date, must be individually metered.

CURRENT CHARACTERISTICS. Standard single phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$8.43

FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS: \$1.92

VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS. (June through September)

\$0.06828 per kWh for all kWh.

(I)

WINTER MONTHS. (October through May)

\$0.05016 per kWh for all kWh

(I)

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

MINIMUM CHARGE. The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE, NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

COMBINED RESIDENTIAL AND COMMERCIAL SERVICE. Where a portion of the service provided is used for commercial purposes, the appropriate general service rate is applicable to all service; or, at the option of the customer, the wiring may be so arranged that the residential service may be separately metered and this rate is then applicable to the residential service only.

PAYMENT TERMS. Standard.

(I) Denotes Increase

RATE-GS GENERAL SERVICE

AVAILABILITY.

Service through a single metering installation for offices, professional, commercial or industrial establishments, governmental agencies, and other applications outside the scope of the Residence Service rate schedules. For service configurations that are nominally 120/208 volts, 3 phase, 4 wires and the service capacity exceeds 750 kVa for transformers located either inside or outside the building, the only rate option available to the customer will be Rate HT. For service configurations that are nominally 277/480 volts, 3 phase, 4 wires and capacity exceeds either 750 kVa for transformers located inside the building or 1,500 kVa for transformers located outside the building, the only rate option available to the customer will be Rate HT.

CURRENT CHARACTERISTICS.

Standard single-phase or polyphase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE:

- \$ 13.54 for single-phase service without demand measurement, or
- \$ 17.45 for single-phase service with demand measurement, or
- \$ 42.79 for polyphase service.

(D)
(D)
(D)

VARIABLE DISTRIBUTION SERVICE CHARGE:

- \$8.11 per kW of billed demand
- (\$0.0006) per kWh for all kWh

ENERGY EFFICIENCY CHARGE: (\$0.00048) per kWh

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2, 3 or 4

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

DETERMINATION OF DEMAND.

The billing demand may be measured where consumption exceeds 1,100 kilowatt-hours per month for three consecutive months; or where load tests indicate a demand of five or more kilowatts; or where the customer requests demand measurement. Measured demands will be determined to the nearest 0.1 of a kilowatt but will not be less than 1.2 kilowatts, and will be adjusted for power factor in accordance with the Rules and Regulations.

For those customers with demand measurement the billing demand will be determined as follows:

- (a) For customers with demand up to 500 kW, the billing demand shall be the measured demand, with a minimum billing demand of 1.2 kW.
- (b) For customers with demand greater than 500 kW, the billing demand shall be the greater of (i) the measured demand, (ii) 40% of the maximum contract demand; or (iii) the maximum measured demand from the prior year. These customers will be identified according to the process listed in Tariff Rule 22.

If a measured demand customer has less than 1,100 monthly kilowatt-hours of use, the monthly billing demand will be the measured demand or the metered monthly kilowatt-hours divided by 175 hours, whichever is less, but not less than 1.2 kilowatts.

For those customers without demand measurement, the monthly billing demand will be computed by dividing the metered monthly kilowatt-hours by 175 hours. The computed demand will be determined to the nearest 0.1 of a kilowatt, but will not be less than 1.2 kilowatts.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract. The 25 kW minimum shall apply to the Energy Supply Charge and the Transmission Supply Charge.

MINIMUM CHARGE.

The monthly minimum charge for customers without demand measurement will be the Fixed Distribution Service Charge. The monthly minimum charge for customers with demand measurement will be the Fixed Distribution Service Charge, plus a charge of \$4.96 per KW of billing demand. In addition to the above, for customers in Procurement Class 4 charges will be assessed on PJM's reliability pricing model.

(D) Denotes Decrease

RATE-PD PRIMARY DISTRIBUTION POWER

AVAILABILITY.

Untransformed service from the primary supply lines of the Company's distribution system where the customer installs, owns, and maintains any transforming, switching and other receiving equipment required. However, standard primary service is not available in areas where the distribution voltage has been changed to either 13 kV or 33 kV unless the customer was served with standard primary service before the conversion of the area to either 13 kV or 33 kV. This rate is available only for service locations served on this rate on July 6, 1987 as long as the original primary service has not been removed. PECO Energy may refuse to increase the load supplied to a customer served under this rate when, in PECO Energy's sole judgment, any transmission or distribution capacity limitations exist. If a customer changes the billing rate of a location being served on this rate, PECO Energy may refuse to change that location back to Rate PD when, in PECO Energy's sole judgment, any transmission or distribution capacity limitations exist.

CURRENT CHARACTERISTICS.

Standard primary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$308.77

(I)

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$6.93 per kW of billing demand
(\$0.0002) per kWh for all kWh

ENERGY EFFICIENCY CHARGE: \$0.58 per kW of Peak Load Contribution

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2, 3 or 4

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, NON-BYPASSABLE TRANSMISSION CHARGE, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. The 25kW minimum shall apply to the Energy Supply Charge and the Transmission Supply Charge. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Service Charge, plus the charge per kW component of the Variable Distribution Service Charge, plus in the case of Procurement Class 4 customers, charges assessed under PJM's reliability pricing model.

TERM OF CONTRACT.

The initial contract term shall be for at least three years.

PAYMENT TERMS.

Standard.

(I) Denotes Increase

PECO Energy Company

RATE-HT HIGH TENSION POWER

AVAILABILITY.

Untransformed service from the Company's standard high tension lines, where the customer installs, owns, and maintains, any transforming, switching and other receiving equipment required.

CURRENT CHARACTERISTICS.

Standard high tension service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$312.30

(I)

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$4.67 per kW of billing demand
(\$0.0002) per kWh for all kWh

HIGH VOLTAGE DISTRIBUTION DISCOUNT:

For customers supplied at 33,000 volts: \$0.15 per kW of measured demand.
For customers supplied at 69,000 volts: \$0.48 per kW for first 10,000 kW of measured demand.
For customers supplied over 69,000 volts: \$0.48 per kW for first 100,000 kW of measured demand.

ENERGY EFFICIENCY CHARGE: \$0.58 per kW of Peak Load Contribution

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2, 3 or 4.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS, NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM, SMART METER COST RECOVERY SURCHARGE PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract. The 25 kW minimum shall apply to the Energy Supply Charge and the Transmission Supply Charge.

CONJUNCTIVE BILLING OF MULTIPLE DELIVERY POINTS.

If the load of a customer located at a delivery point becomes greater than the capacity of the standard circuit or circuits established by the Company to supply the customer at that delivery point, upon the written request of the customer, the Company will establish a new delivery point and bill the customer as if it were delivering and metering the two services at a single point, as long as installation of the new service is, in the Company's opinion, less costly for the Company than upgrading the service to the first delivery point and provided that such multi-point delivery is not disadvantageous to the Company.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Service Charge, plus the charge per kW component of the Variable Distribution Service Charge, and modify less the high voltage discount where applicable plus in the case of Procurement Class 4 customers, charges assessed on PJM's reliability pricing model.

TERM OF CONTRACT.

The initial contract term shall be for at least three years.

PAYMENT TERMS.

Standard.

(I) Denotes Increase

RATE EP ELECTRIC PROPULSION

AVAILABILITY.

This rate is available only to the National Rail Passenger Corporation (AMTRAK) and to the Southeastern Pennsylvania Transportation Authority (SEPTA) for untransformed service from the Company's standard high tension lines, where the customer installs, owns, and maintains any transforming, switching and other receiving equipment required and where the service is provided for the operation of electrified transit and railroad systems and appurtenances.

CURRENT CHARACTERISTICS.

Standard sixty hertz (60 Hz) high tension service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$1,305.03 per delivery point

(I)

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$4.20 per kW of billing demand
(\$0.0002) per kWh for all kWh

HIGH VOLTAGE DISTRIBUTION DISCOUNT:

For delivery points supplied at 33,000 volts: \$0.15 per kW.
For delivery points supplied at 69,000 volts: \$0.48 per kW for first 10,000 kW of measured demand.
For delivery points supplied over 69,000 volts \$0.48 per kW for first 100,000 kW of measured demand.

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 4.

ENERGY EFFICIENCY CHARGE: \$0.58 per kW of Peak Load Contribution

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS, NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 5,000 kilowatts. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract.

CONJUNCTIVE BILLING OF MULTIPLE DELIVERY POINTS.

If the load of a customer located at a delivery point becomes greater than the capacity of the standard circuit or circuits established by the Company to supply the customer at that delivery point, upon the written request of the customer, the Company will establish a new delivery point and bill the customer as if it were delivering and metering the two services at a single point, as long as installation of the new service is, in the Company's opinion, less costly for the Company than upgrading the service to the first delivery point and provided that such multi-point delivery is not disadvantageous to the Company.

(I) Denotes Increase

Attachment 2

**PECO - Electric
2016 Smart Meter Cost Recovery Surcharge (SMCRS) Annual Reconciliation**

SMCRS 1: Rates R and RH

		<u>Amount</u>	<u>\$/kWh</u>	
(1)	C = Projected Recoverable Smart Meter Program Costs	\$ -	\$ -	
(2)	E = Experienced & Estimated Net (Over)/Under (Over)/Under	\$ 741,354	\$ 0.000135	p. 3 of 12
(3)	I = Interest	\$ 253,648	\$ 0.000046	p. 4 of 12
(4)	Net Recoverable (C + E + I)	\$ 995,002	\$ 0.000181	
(5)	R = Projected Sales (kWh) for Computation Period (Aug. - Dec. 2016)	5,487,888,853		
(6)	T = Pennsylvania Gross Receipts Tax Rate	5.9%		
(7)	SMCRS = [(C+E+I)/R]/(1-T)	\$ 0.00019		Monthly Variable kWh Charge

**PECO - 2016 SMCRS
C-Factor Calculation**

SMCRS 1: Rates R and RH

C-Factor Month	Projected Smart Meter Program Costs (1)	Projected Sales (kWh) (2)
Aug-16 (est)	\$ -	1,368,103,759
Sep-16 (est)	\$ -	962,352,772
Oct-16 (est)	\$ -	868,483,177
Nov-16 (est)	\$ -	983,691,798
Dec-16 (est)	\$ -	1,305,257,347
Total	\$ -	5,487,888,853

Estimated Recovery C-Factor \$ - per kWh

**PECO - 2016 SMCRS
E-Factor Calculation**

SMCRS 1: Rates R, RH, OP

E-Factor Period	Recoverable Costs (Net of Stimulus Funding) (1)	Actual R, RH, OP Usage (kWh) (2)	C-Factor Rate (3)	C-Factor Revenue (4)	C-Factor Over/(Under) Recovery (5) = (4) - (1)	E-Factor Rate (6)	E-Factor Revenue (a) (7)	Total Collected Revenue (8) = (4) + (7)	Over/(Under) Recovery (9) = (8) - (1)	Cumulative Over/(Under) Recovery (10)
Balance										\$ (1,240,168)
Feb-16	\$ -	88,953,901	-	\$ -	\$ -	0.000114	\$ (1,947)	\$ (1,947)	\$ (1,947)	\$ (1,242,115)
Mar-16	\$ -	1,015,109,052	-	\$ -	\$ -	0.000114	\$ 52,676	\$ 52,676	\$ 52,676	\$ (1,189,439)
Apr-16	\$ -	836,777,496	-	\$ -	\$ -	0.000114	\$ 91,491	\$ 91,491	\$ 91,491	\$ (1,097,948)
May-16	\$ -	780,774,959	-	\$ -	\$ -	0.000114	\$ 85,852	\$ 85,852	\$ 85,852	\$ (1,012,096)
Jun-16	\$ -	1,058,035,117	-	\$ -	\$ -	0.000114	\$ 118,192	\$ 118,192	\$ 118,192	\$ (893,905)
Jul-16	\$ -	1,363,455,086	-	\$ -	\$ -	0.000114	\$ 152,551	\$ 152,551	\$ 152,551	\$ (741,354)
	\$ -	5,143,105,611		\$ -	\$ -		\$ 498,814	\$ 498,814	\$ 498,814	
Total Recovery E-Factor = \$ (741,354)										

(a) E Factor Revenues are allocated on a percentage basis.

**PECO - 2016 SMCRS
Interest Calculation**

SMCRS 1: Rates R, RH, OP

E-Factor Period	Actual R, RH, OP Usage (kWh) (1)	C-Factor Over/(Under) Recovery (2)	Interest Rate (3)	Interest Time Factor (4)	Interest Owed/ (Interest Recouped) (5) = (2) x (3) x (4)	Interest Factor Rate (6)	Interest Factor Revenue (a) (7)	Total Interest Owed/ (Interest Recouped) (8) = (5) + (7)	Cumulative Interest Owed/ (Interest Recouped) (9)
Balance									
Feb-16	88,953,901	\$ -	6%	5/12	\$ -	0.00004	\$ (666)	\$ (666)	\$ (424,312)
Mar-16	1,015,109,052	\$ -	6%	4/12	\$ -	0.00004	\$ 18,023	\$ 18,023	\$ (424,979)
Apr-16	836,777,496	\$ -	6%	3/12	\$ -	0.00004	\$ 31,303	\$ 31,303	\$ (375,653)
May-16	780,774,959	\$ -	6%	2/12	\$ -	0.00004	\$ 29,373	\$ 29,373	\$ (346,280)
Jun-16	1,058,035,117	\$ -	6%	1/12	\$ -	0.00004	\$ 40,438	\$ 40,438	\$ (305,842)
Jul-16	1,363,455,086	\$ -	6%		\$ -	-	\$ 52,194	\$ 52,194	\$ (253,648)
	<u>5,143,106,611</u>	<u>\$ -</u>			<u>\$ -</u>		<u>\$ 170,665</u>	<u>\$ 170,665</u>	
Net Interest = \$									<u><u>(253,648)</u></u>

(a) Interest Revenues are allocated on a percentage basis.

PECO - Electric
2016 Smart Meter Cost Recovery Surcharge (SMCRS) Annual Reconciliation

SMCRS 2: Rate GS

	<u>Amount</u>	<u>\$/Customer</u>	
(1) C = Projected Recoverable Smart Meter Program Costs	\$ -	\$ -	
(2) E = Experienced & Estimated Net (Over)/Under (Over)/Under	\$ (499,268)	\$ (0.65)	p. 7 of 12
(3) I = Interest	\$ (13,687)	\$ (0.02)	p. 8 of 12
(4) Net Recoverable (C + E + I)	\$ (512,955)	\$ (0.66)	
(5) R = Projected Customers for Computation Period (Aug. - Dec. 2016)	771,600		
(6) T = Pennsylvania Gross Receipts Tax Rate	5.9%		
(7) SMCRS = [(C+E+I)/R]/(1-T)	\$ (0.71)	Fixed Monthly Charge	

**PECO - 2016 SMCRS
C-Factor Calculation**

SMCRS 2: Rate GS

C-Factor Month	Projected Smart Meter Program Costs (1)	Projected Customers (2)
Aug-16 (est)	\$ -	150,500
Sep-16 (est)	\$ -	156,400
Oct-16 (est)	\$ -	155,100
Nov-16 (est)	\$ -	156,300
Dec-16 (est)	\$ -	153,300
Total	\$ -	771,600

Estimated Recovery C-Factor \$ - per customer

**PECO - 2016 SMCRS
E-Factor Calculation**

SMCRS 2: Rate GS

E-Factor Period	Recoverable Costs (Net of Stimulus Funding) (1)	Actual GS Customers (2)	C-Factor Rate (3)	C-Factor Revenue (a) (4)	C-Factor Over/(Under) Recovery (5) = (4) - (1)	E-Factor Rate (6)	E-Factor Revenue (a) (7)	Total Collected Revenue (8) = (4) + (7)	Over/(Under) Recovery (9) = (8) - (1)	Cumulative Over/(Under) Recovery (10)
Balance										\$ 884,185
Feb-16	\$ -	13,752	-	\$ -	\$ -	(0.573)	\$ 480	\$ 480	\$ 480	\$ 884,664
Mar-16	\$ -	156,225	-	\$ -	\$ -	(0.573)	\$ (41,826)	\$ (41,826)	\$ (41,826)	\$ 842,839
Apr-16	\$ -	152,974	-	\$ -	\$ -	(0.573)	\$ (85,506)	\$ (85,506)	\$ (85,506)	\$ 757,332
May-16	\$ -	154,523	-	\$ -	\$ -	(0.573)	\$ (86,874)	\$ (86,874)	\$ (86,874)	\$ 670,458
Jun-16	\$ -	151,359	-	\$ -	\$ -	(0.573)	\$ (85,367)	\$ (85,367)	\$ (85,367)	\$ 585,091
Jul-16	\$ -	152,373	-	\$ -	\$ -	(0.573)	\$ (85,823)	\$ (85,823)	\$ (85,823)	\$ 499,268
	\$ -	<u>781,206</u>		\$ -	\$ -		\$ (384,916)	\$ (384,916)	\$ (384,916)	
Total Recovery E-Factor = \$ <u>499,268</u>										

(a) E Factor Revenues are allocated on a percentage basis.

**PECO - 2016 SMCRS
Interest Calculation**

SMCRS 2: Rate GS

E-Factor Period	Actual GS Customers (1)	C-Factor Over/(Under) Recovery (2)	Interest Rate (3)	Interest Time Factor (4)	Interest Owed/ (Interest Recouped) (5) = (2) x (3) x (4)	Interest Factor Rate (6)	Interest Factor Revenue (a) (7)	Total Interest Owed/ (Interest Recouped) (8) = (5) + (7)	Cumulative Interest Owed/ (Interest Recouped) (9)
Balance									\$ 24,239
Feb-16	13,752	\$ -	6%	5/12	\$ -	(0.02)	\$ 13	\$ 13	\$ 24,252
Mar-16	156,225	\$ -	6%	4/12	\$ -	(0.02)	\$ (1,147)	\$ (1,147)	\$ 23,106
Apr-16	152,974	\$ -	6%	3/12	\$ -	(0.02)	\$ (2,344)	\$ (2,344)	\$ 20,762
May-16	154,523	\$ -	6%	2/12	\$ -	(0.02)	\$ (2,382)	\$ (2,382)	\$ 18,380
Jun-16	151,359	\$ -	6%	1/12	\$ -	(0.02)	\$ (2,340)	\$ (2,340)	\$ 16,040
Jul-16	152,373	\$ -	6%		\$ -	(0.02)	\$ (2,353)	\$ (2,353)	\$ 13,687
	<u>781,206</u>	<u>\$ -</u>			<u>\$ -</u>		<u>\$ (10,662)</u>	<u>\$ (10,662)</u>	
									Net Interest = \$ 13,687

(a) Interest Revenues are allocated on a percentage basis.

**PECO - Electric
2016 Smart Meter Cost Recovery Surcharge (SMCRS) Annual Reconciliation**

SMCRS 3: Rates HT, PD, EP

	<u>Amount</u>	<u>\$/Customer</u>	
(1) C = Projected Recoverable Smart Meter Program Costs	\$ -	\$ -	
(2) E = Experienced & Estimated Net (Over)/Under (Over)/Under	\$ 180,625	\$ 10.88	p. 11 of 12
(3) I = Interest	\$ 17,400	\$ 1.05	p. 12 of 12
(4) Net Recoverable (C + E + I)	\$ 198,024	\$ 11.93	
(5) R = Projected Customers for Computation Period (Aug. - Dec. 2016)	16,600		
(6) T = Pennsylvania Gross Receipts Tax Rate	5.9%		
(7) SMCRS = [(C+E+I)/R]/(1-T)	\$ 12.68	Fixed Monthly Charge	

**PECO - 2016 SMCRS
C-Factor Calculation**

SMCRS 3: Rates HT, PD, EP

C-Factor Month	Projected Smart Meter Program Costs (1)	Projected Customers (2)
Aug-16 (est)	\$ -	3,300
Sep-16 (est)	\$ -	3,200
Oct-16 (est)	\$ -	3,500
Nov-16 (est)	\$ -	3,400
Dec-16 (est)	\$ -	3,200
Total	\$ -	16,600

Estimated Recovery C-Factor \$ - per customer

**PECO - 2016 SMCRS
E-Factor Calculation**

SMCRS 3: Rates HT, PD, EP

E-Factor Period	Recoverable Costs (Net of Stimulus Funding) (1)	Actual HT, PD, EP Customers (2)	C-Factor Rate (3)	C-Factor Revenue (a) (4)	C-Factor Over/(Under) Recovery (5) = (4) - (1)	E-Factor Rate (6)	E-Factor Revenue (a) (7)	Total Collected Revenue (8) = (4) + (7)	Over/(Under) Recovery (9) = (8) - (1)	Cumulative Over/(Under) Recovery (10)
Balance										\$ (312,136)
Feb-16	\$ -	374	-	\$ -	\$ -	9.40	\$ 47	\$ 47	\$ 47	\$ (312,089)
Mar-16	\$ -	3,307	-	\$ -	\$ -	9.40	\$ 13,969	\$ 13,969	\$ 13,969	\$ (298,120)
Apr-16	\$ -	3,191	-	\$ -	\$ -	9.40	\$ 28,445	\$ 28,445	\$ 28,445	\$ (269,676)
May-16	\$ -	3,381	-	\$ -	\$ -	9.40	\$ 30,755	\$ 30,755	\$ 30,755	\$ (238,921)
Jun-16	\$ -	3,197	-	\$ -	\$ -	9.40	\$ 28,801	\$ 28,801	\$ 28,801	\$ (210,120)
Jul-16	\$ -	3,278	-	\$ -	\$ -	9.40	\$ 29,495	\$ 29,495	\$ 29,495	\$ (180,625)
	\$ -	16,728		\$ -	\$ -		\$ 131,612	\$ 131,612	\$ 131,612	

Total Recovery E-Factor = \$ (180,625)

(a) E Factor Revenues are allocated on a percentage basis.

**PECO - 2016 SMCRS
Interest Calculation**

SMCRS 3: Rates HT, PD, EP

E-Factor Period	Actual HT, PD, EP Customers (1)	C-Factor Over/(Under) Recovery (2)	Interest Rate (3)	Interest Time Factor (4)	Interest Owed/ (Interest Recouped) (5) = (2) x (3) x (4)	Interest Factor Rate (6)	Interest Factor Revenue (a) (7)	Total Interest Owed/ (Interest Recouped) (8) = (5) + (7)	Cumulative Interest Owed/ (Interest Recouped) (9)
Balance									\$ (29,973)
Feb-16	374	\$ -	6%	5/12	\$ -	0.90	\$ 5	\$ 5	\$ (29,969)
Mar-16	3,307	\$ -	6%	4/12	\$ -	0.90	\$ 1,336	\$ 1,336	\$ (28,633)
Apr-16	3,191	\$ -	6%	3/12	\$ -	0.90	\$ 2,720	\$ 2,720	\$ (25,914)
May-16	3,381	\$ -	6%	2/12	\$ -	0.90	\$ 2,940	\$ 2,940	\$ (22,973)
Jun-16	3,197	\$ -	6%	1/12	\$ -	0.90	\$ 2,754	\$ 2,754	\$ (20,220)
Jul-16	3,278	\$ -	6%		\$ -	0.90	\$ 2,820	\$ 2,820	\$ (17,400)
	16,728	\$ -			\$ -		\$ 12,574	\$ 12,574	
Net Interest = \$									(17,400)

(a) Interest Revenues are allocated on a percentage basis.