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November 16, 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) – Procurement Classes 3-4, PECO Tariff Electric No. 5, Supplement No. 27 Effective January 1, 2017, Docket No. P-2014-2409362

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission Supplement No. 27 to PECO's Electric Tariff No. 5 which is made in accordance with PECO's Third Default Service Program ("DSP-III") at Docket No. P-2014-2409362. This Supplement contains PECO's monthly adjustments to Procurement Class 3 – Hourly Pricing, Medium Commercial & Industrial and Procurement Class 4 – Hourly Pricing, Large Commercial & Industrial effective January 1, 2017 through January 31, 2017, respectively.

The proposed rate for Rate HT (High Tension Power) for January 2017 of a credit of 0.183 cents/kWh reflects an increase of 1.807 cents/kWh compared to the rate effective December 2016 for Procurement Class 3 - Hourly Pricing.

The proposed rate for Rate HT (High Tension Power) for January 2017 of 0.395 cents/kWh reflects an increase of 2.516 cents/kWh compared to the rate effective December 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 3 Hourly Pricing – Medium Commercial & Industrial (100KW < Demand <= 500KW);
- Attachment 2 – GSA Calculation for Procurement Class 4 Hourly Pricing – Large Commercial & Industrial over 500KW;
- Attachment 3 – Revised GSA Tariffs

Rosemary Chiavetta, Secretary
November 16, 2016
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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. Wellesley, 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
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

GSA CALCULATION FOR PROCUREMENT CLASS 3 HOURLY PRICING – MEDIUM COMMERCIAL & INDUSTRIAL (100KW < Demand < = 500KW)

PECO Generation Supply Adjustment Rate-Procurement Class 3 Hourly (GSA 3 Hourly)

Application Period: January 1, 2017 through January 31, 2017

cents/kWh

	Amount	Rate GS			Rate PD			Rate HT				
		GSA Rate w/o GRT	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio			
AS Ancillary Services and Alternative Energy Portfolio Standards Factor												
-Ancillary Service and AEPS (a)	\$110,658 page 2	0.346	0.375	0.347	0.347	0.369	0.333	0.354	0.333	0.354		
-Additional AEPS Cost	\$51 page 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		
Total Ancillary Service Cost and Alternative Energy Portfolio Standards Factor	\$110,709	0.346	0.375	0.347	0.347	0.369	0.333	0.354	0.333	0.354		
AC Administrative Cost Factor												
-Administrative Cost	\$2,429 page 2	0.008	0.008	0.008	0.008	0.009	0.008	0.009	0.008	0.009		
Total Administrative Service Cost	\$2,429	0.008	0.008	0.008	0.008	0.009	0.008	0.009	0.008	0.009		
E Factor Including Interest (c)												
-Over/(Under) Collection Mar 2016 to Sep 2016	(\$451,501) page 7	-1.411	-1.489	-1.411	-1.411	-1.489	-1.411	-1.489	-1.411	-1.489		
-Net Interest Mar 2016 to Sep 2016	(\$6,060) page 9	-0.019	-0.020	-0.019	-0.019	-0.020	-0.019	-0.020	-0.019	-0.020		
-Prior Period Over/(Under) Collection Revenue, Oct 2016 to Dec 2016	\$623,988 page 7	1.950	2.072	1.950	1.950	2.072	1.950	2.072	1.950	2.072		
-Prior Period Interest Revenue, Oct 2016 to Dec 2016	\$8,104 page 9	0.025	0.027	0.025	0.025	0.027	0.025	0.027	0.025	0.027		
Total E Factor including Interest	\$174,541	0.545	0.580	0.545	0.545	0.580	0.545	0.580	0.545	0.580		
WC Working Capital Adjustment												
-Working Capital Adjustment (b)		0.032	0.034	0.032	0.032	0.034	0.032	0.034	0.032	0.034		
Total Working Capital Adjustment		0.032	0.034	0.032	0.032	0.034	0.032	0.034	0.032	0.034		
Total GSA Rate (AS + AC + E + WC)		-0.159	-0.162	-0.152	-0.158	-0.168	-0.172	-0.183	-0.172	-0.183		
S Sales for Application Period in kWh	31,993,481 page 3											
Gross Receipts Tax (GRT)	5.90%											

(a) Adjusted for overall line loss factor ratio
 (b) Based on Settlement at Docket No. P-2015-2468981
 (c) Data reflects transition from Procurement Class 3 Quarterly to Monthly Pricing

**PECO GSA 3 (Hourly) Ancillary Services and AEPS (AS Factor)
and Administrative Costs**

For the Period January 1, 2017 through January 31, 2017

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Additional AEPS Costs (2)	Administrative Cost (3)
Jan-17	.\$110,658	\$51	\$2,429

PECO GSA 3 (Hourly) Default kWh Sales
For the Period January 1, 2017 through January 31, 2017

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh
Jan-17	31,993,481	20,122,386	2,051,351	9,819,744

**PECO GSA 3 Actual Monthly Over/(Under) Collections
For the Period January 1, 2011 through February 29, 2016
and March 2016, April 2016 and May 2016**

Month	(1) Default Supplier Spot, Full Requirements Cost for Energy, Capacity, Ancillary Service and AEPS	(2) Default Supplier Fixed, Full Requirements Cost for Energy, Capacity and Ancillary Services	(3) Additional AEPS Costs	(4) Administrative Cost	(5)=(1)+(2)+(3)+(4) Total Cost Including Administrative Cost	(6) Allocation Factor	(7)=(5) x (6) Total Allocated Cost Including Administrative Cost
Jun-13	\$1,377	\$5,181,412	\$67,727	\$23,032	\$5,273,548	0.99112195	\$5,226,729
Jul-13	\$1,421	\$4,540,257	\$65,587	\$25,335	\$4,632,600	0.99196794	\$4,595,391
Sep-13	\$0	\$4,142,906	\$75	\$22,712	\$4,165,693	0.99142235	\$4,129,961
Oct-13	\$0	\$3,989,741	\$188	\$29,674	\$4,019,603	0.99088587	\$3,982,968
Nov-13	\$0	\$3,908,572	\$210	\$27,123	\$3,935,905	0.98979968	\$3,895,757
Dec-13	\$0	\$4,216,782	\$62,080	\$24,906	\$4,303,768	0.98771159	\$4,250,882
Jan-14	\$0	\$4,542,507	\$66,011	\$25,798	\$4,634,316	0.98833361	\$4,580,250
Feb-14	\$0	\$3,919,432	\$58,823	\$24,650	\$4,002,905	0.99318057	\$3,975,608
Mar-14	\$0	\$4,121,192	\$61,008	\$26,467	\$4,208,667	0.99402610	\$4,183,525
Apr-14	\$0	\$3,541,030	\$1,323	\$30,605	\$3,572,958	0.99319481	\$3,548,644
May-14	\$0	\$3,940,042	\$101	\$32,609	\$3,972,752	1.00000000	\$3,972,752
Jun-14	\$0	\$3,970,905	\$76,417	\$39,006	\$4,086,328	1.00000000	\$4,086,328
Jul-14	\$0	\$4,332,565	\$83,635	\$26,889	\$4,443,089	1.00000000	\$4,443,089
Aug-14	\$0	\$4,029,398	\$97,983	\$26,597	\$4,153,978	1.00000000	\$4,153,978
Sep-14	\$0	\$3,684,151	\$66,330	\$28,255	\$3,778,736	1.00000000	\$3,778,736
Oct-14	\$0	\$3,543,155	\$7,826	\$35,100	\$3,586,081	1.00000000	\$3,586,081
Nov-14	\$0	\$3,531,604	\$704	\$34,765	\$3,567,073	1.00000000	\$3,567,073
Dec-14	\$0	\$4,252,483	\$69,538	\$32,212	\$4,354,233	1.00000000	\$4,354,233
Jan-15	\$0	\$4,629,283	\$72,445	\$32,397	\$4,734,125	1.00000000	\$4,734,125
Feb-15	\$0	\$4,132,503	\$66,274	\$31,607	\$4,230,384	1.00000000	\$4,230,384
Mar-15	\$0	\$4,049,406	\$64,050	\$33,194	\$4,146,650	1.00000000	\$4,146,650
Apr-15	\$0	\$3,667,806	\$60,740	\$41,472	\$3,770,018	1.00000000	\$3,770,018
May-15	\$0	\$4,103,493	\$55,894	\$50,942	\$4,210,329	1.00000000	\$4,210,329
Jun-15	\$0	\$3,391,912	\$35,350	\$13,874	\$3,441,136	1.00000000	\$3,441,136
Jul-15	\$0	\$3,726,985	\$39,364	\$14,107	\$3,780,456	0.99961061	\$3,778,984
Aug-15	\$0	\$3,776,351	\$97,591	\$11,893	\$3,885,835	0.99958313	\$3,884,215
Sep-15	\$0	\$3,542,748	\$36,336	\$25,463	\$3,604,547	0.99958594	\$3,603,055
Oct-15	\$0	\$3,098,511	\$13,216	\$28,675	\$3,140,403	0.99950747	\$3,138,856
Nov-15	\$0	\$2,895,772	\$252	\$31,728	\$2,927,752	0.99956317	\$2,926,473
Dec-15	\$0	\$3,568,293	\$54,498	(\$28,030)	\$3,594,761	0.99957792	\$3,593,244
Jan-16	\$0	\$3,757,695	\$31,953	\$14,299	\$3,803,947	0.99963938	\$3,802,575
Feb-16	\$0	\$3,633,047	\$31,227	\$3,835	\$3,668,109	0.99524681	\$3,650,674
Mar-16	\$0	\$3,922,634	\$5,194	\$3,471	\$3,931,299	0.99453402	\$3,909,810
Apr-16	\$0	\$3,414,183	(\$569)	\$4,775	\$3,418,389	0.99374740	\$3,397,015
May-16	\$0	\$2,983,979	\$177	\$4,532	\$2,988,688	0.99459819	\$2,972,544

PECO GSA 3 (Hourly) Actual Interest Calculation
For the Period June 1, 2016 through December 31, 2016

Month	Current Period Portion of Revenue	Total Cost	Current Over/(Under) Collection for Interest	Interest Rate Time Factor	Interest Factor	Interest Time Factor	Total Interest to be Returned to Customers	Interest Revenue Excl GRT In E Factor	Interest Revenue Excl GRT (Returned to Customers for 1 month recovery)	Interest Revenue Excl GRT (Returned to Customers for 6 month recovery)	Cumulative Interest to be Returned to Customers from Customers	Monthly Portion of Interest Net of Interest Revenue for 6 Month Recovery	Cumulative Portion of Interest Revenue for 6 Month Recovery	Monthly Portion of Interest Net of Interest Revenue for 1 Month Recovery	Cumulative Portion of Interest Revenue for 1 Month Recovery
	(1) = (11) from Attachment 1, Page 7	(2) = (7) from Attachment 1, Page 5	(9) = (1) - (2)	(4)	(5)	(6)	(7) = (3) x (4) x (6) / (6)	(8)	(9)	(10) = (7) + (8) + (9)	(11) = (9) from Jun 2016 to Nov 2016	(12) = Cumulative from (11)	(13) = (7) - (8) from Jun 2016 to Dec 2016	(14) = Cumulative from (13)	
May-16															
Jun-16	\$1,785,494	\$2,041,782	(\$256,288)	3.50%	4.5	12	(\$3,364)	\$0	(\$6,384)	\$13,415		\$21,661	(\$8,246)		
Jul-16	\$2,168,938	\$2,724,232	(\$555,296)	3.50%	4.5	12	(\$7,288)	\$6,900	(\$6,624)				(\$11,610)		
Aug-16	\$2,699,475	\$2,180,254	\$519,221	3.50%	4.5	12	\$6,815	\$4,782	(\$4,288)				(\$398)		
Sep-16	\$2,140,306	\$1,995,873	\$144,433	3.50%	4.5	12	\$1,896	(\$7,555)	(\$3,654)				\$11,597		
Oct-16								\$5,963	(\$3,387)				(\$5,659)		
Nov-16								\$11,630	(\$2,982)						
Dec-16								(\$9,489)							

ATTACHMENT 2

PECO ENERGY COMPANY

**GSA CALCULATION
FOR PROCUREMENT CLASS 4 HOURLY PRICING –
LARGE COMMERCIAL & INDUSTRIAL OVER 500KW**

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

Application Period: January 1, 2017 through January 31, 2017

cents/kWh

	Amount	GSA Rate			Rate GS			Rate PD			Rate HT			Rate EP		
		Rate	w/o GRT	Incl. Line	w/o GRT	Incl. Line	Loss Ratio	w/o GRT	Incl. Line	Loss Ratio	w/o GRT	Incl. Line	Loss Ratio	w/o GRT	Incl. Line	Loss Ratio
AS Ancillary Services and Alternative Energy Portfolio Standards Factor																
-Ancillary Service and AEPS (a)	\$ 78,337 page 2	0.334	0.353	0.375	0.347	0.369	0.333	0.354	0.333	0.354	0.333	0.354	0.333	0.354	0.333	0.354
-Additional AEPS Cost	\$ 12 page 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Ancillary Service Cost and Alternative Energy Portfolio Standards Factor	\$ 78,349	0.334	0.353	0.375	0.347	0.369	0.333	0.354	0.333	0.354	0.333	0.354	0.333	0.354	0.333	0.354
AC Administrative Cost Factor																
-Administrative Cost	\$ 1,793 page 2	0.008	0.008	0.009	0.008	0.009	0.008	0.009	0.008	0.009	0.008	0.009	0.008	0.009	0.008	0.009
Total Administrative Service Cost	\$ 1,793	0.008	0.008	0.009	0.008	0.009	0.008	0.009	0.008	0.009	0.008	0.009	0.008	0.009	0.008	0.009
E Factor Including Interest																
-Over/(Under) Collection Jan 2011 to Sep 2016	\$ 392,756 page 5	1.673	1.673	1.778	1.673	1.778	1.673	1.778	1.673	1.778	1.673	1.778	1.673	1.778	1.673	1.778
-Net Interest Jan 2011 to Sep 2016	\$ 5,191 page 6	0.022	0.022	0.023	0.022	0.023	0.022	0.023	0.022	0.023	0.022	0.023	0.022	0.023	0.022	0.023
-Prior Period Over/Under Collection Revenue, Oct 2016 to Dec 2016	\$ (392,376) page 5	-1.671	-1.671	-1.776	-1.671	-1.776	-1.671	-1.776	-1.671	-1.776	-1.671	-1.776	-1.671	-1.776	-1.671	-1.776
-Prior Period Interest Revenue, Oct 2016 to Dec 2016	\$ (5,219) page 6	-0.022	-0.022	-0.023	-0.022	-0.023	-0.022	-0.023	-0.022	-0.023	-0.022	-0.023	-0.022	-0.023	-0.022	-0.023
Total E Factor Including Interest	\$ 353	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002	0.002
WC Working Capital Adjustment																
-Working Capital Adjustment (b)		0.032	0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034
Total Working Capital Adjustment		0.032	0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034
Total GSA Rate (AS + AC + E + WC)		0.372	0.391	0.416	0.385	0.410	0.371	0.395	0.371	0.395	0.371	0.395	0.371	0.395	0.371	0.395
S Sales for Application Period in kWh	23,481,303 page 3															
Gross Receipts Tax (GRT)	5.90%															

(a) Adjusted for overall line loss factor ratio
(b) Based on Settlement at Docket No. P-2015-2466981

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

For the Period January 1, 2017 through January 31, 2017

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Additional AEPS Costs (2)	Administrative Cost (3)
Jan-17	\$78,337	\$12	\$1,783

PECO GSA 4 (Hourly) Default kWh Sales

For the Period January 1, 2017 through January 31, 2017

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh	Rate EP kWh
Jan-17	23,481,303	1,465,701	214,745	21,800,857	-

**PECO GSA 4 (Hourly) Actual Interest Calculation
For the Period January 1, 2011 through September 30, 2016
and October 2016, November 2016 and December 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 (Recovered from 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 (Recovered from Customers)
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	(\$5,759)	\$18,399	\$0	(\$3,166)
Oct-13	\$2,295,624	\$2,551,571	(\$255,947)	6.00%	4.5	12	\$1,558	(\$10,977)	\$0	\$9,780
Nov-13	\$2,493,364	\$2,441,420	\$51,944	8.00%	4.5	12	\$978	(\$12,234)	\$0	\$361
Dec-13	\$2,801,221	\$2,788,609	\$32,612	8.00%	4.5	12	\$115,513	\$8,824	\$0	(\$10,895)
Jan-14	\$5,859,857	\$10,594,352	(\$4,734,495)	6.00%	4.5	12	\$13,450	\$10,351	\$0	(\$108,597)
Feb-14	\$3,487,769	\$4,537,216	\$4,950,553	8.00%	3.5	12	(\$368)	\$0	\$0	\$17,267
Mar-14	\$4,607,291	\$4,623,668	(\$16,377)	6.00%	4.5	12	\$13,450	(\$3,273)	\$0	\$16,899
Apr-14	\$2,684,818	\$2,236,495	\$448,323	8.00%	4.5	12	\$7,676	(\$14,350)	\$0	\$27,076
May-14	\$2,159,344	\$1,903,486	\$255,858	8.00%	4.5	12	(\$2,379)	\$3,170	\$0	\$20,402
Jun-14	\$1,704,050	\$1,809,784	(\$105,734)	6.00%	4.5	12	(\$1,343)	\$5,090	\$0	\$21,193
Jul-14	\$1,933,152	\$1,982,861	(\$58,709)	6.00%	4.5	12	\$2,400	(\$15,753)	\$0	\$24,940
Aug-14	\$1,744,273	\$1,684,273	\$80,000	8.00%	4.5	12	\$2,448	(\$14,982)	\$0	\$11,587
Sep-14	\$1,563,239	\$1,488,320	\$74,919	8.00%	4.5	12	(\$3,216)	\$2,468	\$0	(\$1,147)
Oct-14	\$1,306,704	\$1,449,623	(\$142,919)	6.00%	4.5	12	(\$2,301)	\$4,643	\$0	\$47
Nov-14	\$1,562,893	\$1,685,148	(\$122,255)	6.00%	4.5	12	(\$3,219)	(\$3,063)	\$0	(\$5,835)
Dec-14	\$1,457,119	\$1,600,205	(\$143,086)	6.00%	4.5	12	\$9,091	(\$4,865)	\$0	(\$1,609)
Jan-15	\$1,890,784	\$1,587,741	\$303,043	8.00%	4.5	12	(\$24,580)	\$10,626	\$0	(\$15,563)
Feb-15	\$2,904,017	\$3,996,461	(\$1,092,444)	6.00%	4.5	12	\$24,925	\$3,365	\$0	\$12,727
Mar-15	\$3,531,586	\$2,700,740	\$830,846	8.00%	4.5	12	\$12,580	\$0	\$0	\$25,317
Apr-15	\$1,896,409	\$1,476,749	\$419,660	8.00%	4.5	12	(\$1,701)	(\$8,920)	\$0	\$14,696
May-15	\$1,378,493	\$1,454,075	(\$75,582)	6.00%	4.5	12	\$990	\$13,733	\$0	\$29,419
Jun-15	\$1,282,313	\$1,249,297	\$33,016	8.00%	4.5	12	\$2,989	(\$14,239)	\$0	\$18,119
Jul-15	\$1,669,185	\$1,571,208	\$97,977	8.00%	4.5	12	\$5,033	(\$15,515)	\$0	\$7,637
Aug-15	\$1,765,710	\$1,597,952	\$167,758	8.00%	4.5	12	(\$7,294)	\$2,775	\$0	\$3,118
Sep-15	\$1,261,738	\$1,585,930	(\$324,192)	6.00%	4.5	12	\$7,588	\$0	\$0	\$10,716
Oct-15	\$1,652,723	\$1,399,444	\$253,279	8.00%	4.5	12	\$5,396	(\$4,969)	\$0	\$4,154
Nov-15	\$1,125,320	\$1,196,130	(\$70,810)	6.00%	4.5	12	(\$1,593)	(\$3,547)	\$0	\$6,003
Dec-15	\$1,258,419	\$1,078,565	\$179,854	8.00%	4.5	12	(\$11)	\$8,020	\$0	\$14,012
Jan-16	\$1,521,812	\$1,522,684	(\$872)	3.50%	4.5	12	\$2,316	\$8,598	\$0	\$7,730
Feb-16	\$1,433,630	\$1,257,166	\$176,464	3.50%	4.5	12	(\$302)	(\$1,542)	\$0	\$5,886
Mar-16	\$1,006,731	\$1,029,716	(\$22,985)	3.50%	4.5	12	(\$931)	(\$3,750)	\$0	\$1,205
Apr-16	\$876,286	\$947,223	(\$70,937)	3.50%	4.5	12	\$1,426	\$284	\$0	\$2,915
May-16	\$1,088,193	\$979,552	\$108,641	3.50%	4.5	12	\$2,228	(\$1,476)	\$0	\$3,667
Jun-16	\$1,219,038	\$1,049,270	\$169,768	3.50%	4.5	12	(\$3,671)	(\$1,118)	\$0	(\$1,122)
Jul-16	\$1,215,633	\$1,495,314	(\$279,681)	3.50%	4.5	12	\$7,131	\$634	\$0	\$6,643
Aug-16	\$1,382,656	\$839,357	\$543,299	3.50%	4.5	12	(\$157)	(\$1,295)	\$0	\$5,191
Sep-16	\$1,219,580	\$1,231,506	(\$11,926)	3.50%	4.5	12		(\$1,554)	\$0	\$0
Oct-16								(\$7,220)	\$0	\$0
Nov-16									\$0	\$0
Dec-16									\$0	\$0

(1) = (11) from Attachment 2, Page 5
(2) = (7) from Attachment 2, Page 4

ATTACHMENT 3

PECO ENERGY COMPANY

REVISED GSA TARIFFS

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued November 16, 2016

Effective January 1, 2017

**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 3 Loads Greater than 100 KW Up to 500 KW – 7th Revised Page No. 33A

Reflects monthly adjustment for Procurement Class 3 - Hourly Pricing pursuant to Order at Docket No. P-2014-2409362.

Generation Supply Adjustment for Procurement Class 4 Loads Greater than 500 KW – 12th 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 3
LOADS GREATER THAN 100 KW UP TO 500 KW

Applicability: June 1, 2016 this adjustment shall apply to all customers taking default service from the Company with demands greater than 100 kw up to 500 kw.

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 the GSA 3 Hourly Pricing Adder* 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

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

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. 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.

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

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 = $\sum O/(U)/S_3 \times \text{usage}$ where

E = Over/under recovery as calculated in the reconciliation

S₃ = Procurement class three 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
Hourly Pricing Adder* (dollars/kWh)	-\$0.00162	-\$0.00168	-\$0.00183

(I)

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

(I) Denotes Increase

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 500 kw.

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 the GSA 4 Hourly Pricing Adder* 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

$\Sigma \text{PJM}_{\text{DA}} \times \text{usage} / (1-\text{LL})$
PJM_{DA} – PJM on day ahead hourly price.

Usage - Electricity used by an end use customer.

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

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

PLC = Peak load contribution

RM = Reserve margin adjustment per PJM

P_{RPM} = Capacity price per MW-day

AC = Administrative Cost - This includes an allocation of the cost of the Independent Evaluator, consultants providing guidance on the development of the procurement strategy, legal fees incurred gaining approval of the plan, and any other costs associated with designing and implementing a procurement plan divided by the total default service sales and then multiplied by the customers usage for the month.

Administrative Costs also includes any other costs incurred to implement retail market enhancements directed by the Commission in its Retail Market Investigation at Docket No. I-2011-2237952 or any other applicable docket that are not recovered from EGSs or through another rate.

A / S x Usage

A = Administrative cost

S = Default service sales

AS = The cost, on a \$/MWH basis, of acquiring ancillary services from PJM and of complying with the Alternative Energy Portfolio Standard, multiplied by the customers usage for the month and divided by (1-LL). Congestion charges including the proceeds and costs from the exercise of

Auction Revenue Rights shall be included in this component. Ancillary services shall be those included in the Supply Master Agreement as being the responsibility of the supplier.

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

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

AEPS = Cost of complying with the alternative energy portfolio standard

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

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

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

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

T = The currently effective gross receipts tax rate

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

E = Over/under recovery as calculated in the reconciliation

S₄ = Procurement class four sales

WC = \$0.00034 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)	\$0.00416	\$0.00410	\$0.00395	\$0.00395

(I)

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

(I) Denotes Increase