



An Exelon Company

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December 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. 29 Effective February 1, 2017, Docket No. P-2014-2409362

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission Supplement No. 29 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 February 1, 2017 through February 28, 2017, respectively.

The proposed rate for Rate HT (High Tension Power) for February 2017 of 0.725 cents/kWh reflects an increase of 0.908 cents/kWh compared to the rate effective January 2017 for Procurement Class 3 - Hourly Pricing.

The proposed rate for Rate HT (High Tension Power) for February 2017 of 0.523 cents/kWh reflects an increase of 0.128 cents/kWh compared to the rate effective January 2017 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
December 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,

A handwritten signature in black ink, appearing to read "R. Chiavetta", followed by a horizontal line.

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: February 1, 2017 through February 28, 2017

cents/kWh

	Amount	Rate GS			Rate PD			Rate HT			
		w/o GRT Incl. Line Loss Ratio	w/GRT Incl. Line Loss Ratio	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/GRT Incl. Line Loss Ratio			
AS Ancillary Services and Alternative Energy Portfolio Standards Factor											
-Ancillary Service and AEPS (a)	\$120,171 page 2	0.353	0.375	0.346	0.347	0.369	0.333	0.354			
-Additional AEPS Cost	\$42 page 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000			
Total Ancillary Service Cost and Alternative Energy Portfolio Standards Factor	\$120,213	0.353	0.375	0.346	0.347	0.369	0.333	0.354			
AC Administrative Cost Factor											
-Administrative Cost	\$3,198 page 2	0.009	0.010	0.009	0.009	0.010	0.009	0.010			
Total Administrative Service Cost	\$3,198	0.009	0.010	0.009	0.009	0.010	0.009	0.010			
E Factor Including Interest (c)											
-Over/(Under) Collection Mar 2016 to Oct 2016	\$48,952 page 7	0.141	0.150	0.141	0.141	0.150	0.141	0.150			
-Net Interest Mar 2016 to Oct 2016	\$793 page 9	0.002	0.002	0.002	0.002	0.002	0.002	0.002			
-Prior Period Over/(Under) Collection Revenue, Nov 2016 to Jan 2017	(\$154,682) page 7	-0.445	-0.473	-0.445	-0.445	-0.473	-0.445	-0.473			
-Prior Period Interest Revenue, Nov 2016 to Jan 2017	(\$2,038) page 9	-0.006	-0.006	-0.006	-0.006	-0.006	-0.006	-0.006			
Total E Factor Including Interest	(\$106,955)	-0.308	-0.327	-0.308	-0.308	-0.327	-0.308	-0.327			
WC Working Capital Adjustment											
-Working Capital Adjustment (b)		0.032	0.034	0.032	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			
Total GSA Rate (AS + AC - E + WC)		0.695	0.746	0.695	0.696	0.740	0.682	0.725			
S Sales for Application Period in kWh	34,753,749 page 3										
Gross Receipts Tax (GRT)	5.90%										

(a) Adjusted for overall line loss factor ratio
 (b) Based on Settlement at Docket No. R-2015-2468681
 (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 February 1, 2017 through February 28, 2017

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Additional AEPS Costs (2)	Administrative Cost (3)
Feb-17	\$120,171	\$42	\$3,198

PECO GSA 3 (Hourly) Default kWh Sales
For the Period February 1, 2017 through February 28, 2017

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh
Feb-17	34,753,749	21,672,211	2,257,947	10,823,590

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

Month	Default Supplier Hourly Pricing and PECO Provided Spot Energy and Capacity	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance	Additional AEPS Costs	Administrative Cost	Total Cost Including Administrative Cost	Allocation Factor	Total Allocated Cost Including Administrative Cost
	(1)	(2)	(3)	(4)	(5)=(1)+(2)+(3)+(4)	(6)	(7)=(5) x (6)
May-16	\$1,954,619	\$84,637	\$1	\$3,620	\$2,042,877	0.99946396	\$2,041,782
Jun-16	\$2,564,234	\$155,334	\$40	\$4,624	\$2,724,232	1.00000000	\$2,724,232
Jul-16	\$2,372,577	\$19,969	(\$214,507)	\$2,215	\$2,180,254	1.00000000	\$2,180,254
Aug-16	\$1,853,413	\$15,195	\$124,748	\$2,517	\$1,995,873	1.00000000	\$1,995,873
Sep-16	\$1,515,695	\$7,192	\$2	\$3,323	\$1,526,213	1.00000000	\$1,526,213
Oct-16							
Nov-16							
Dec-16							
Jan-17							

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

Current Revenue for Over(Under) Excluding GRT

Prior Period Revenue for Over(Under) Excluding GRT

Month	Deficit Supplier Current Revenue for Energy, Additional AEPs Revenue Excl GRT	Current Revenue for Administrative Cost Excl GRT	Total Current Period Revenue Excl GRT	E Factor Excl Interest and GRT for 3 month recovery	E Factor Excl Interest and GRT for 12 month recovery	E Factor Excl Interest and GRT for 18 month recovery	Total Current and Prior Period Revenue Excl GRT	Monthly Over(Under) Collection	Cumulative Over(Under) Collection	Monthly Over(Under) Collection for 6 Month Recovery	Cumulative Over(Under) Collection for 6 Month Recovery	Monthly Over(Under) Collection for 6 Month Recovery	Cumulative Over(Under) Collection for 6 Month Recovery
	(8)	(9)	(10)	(11)=(8)+(9)+(10)	(12)	(13)	(14)=(11)+(12)+(13)	(15)=(16)+(7)	(17)=Cumulative from (15)	(18)=(12) from Mar 2016 to May 2016	(19)=Cumulative from (18)	(20)=(14)+(17) from Mar 2016 to May 2016	(21)=Cumulative from (20)
Jun-13	\$5,960,300	\$19,989	\$27,379	\$5,101,368	(\$20,078)	\$0	\$5,081,290	(\$145,439)	(\$1,501,588)		(\$1,501,588)		(\$1,501,588)
Jul-13	\$4,433,038	\$12,772	\$25,645	\$4,756,348	(\$16,784)	\$0	\$4,737,792	\$142,401	(\$1,647,024)		(\$1,647,024)		(\$1,647,024)
Aug-13	\$3,223,179	\$4,033	\$25,645	\$3,292,857	\$552,115	\$0	\$3,844,972	\$920,183	(\$1,504,623)		(\$1,504,623)		(\$1,504,623)
Sep-13	\$3,686,095	\$59,888	\$31,752	\$3,777,735	\$491,948	\$0	\$4,269,683	\$516,797	(\$584,440)		(\$584,440)		(\$584,440)
Oct-13	\$4,257,841	\$49,402	\$29,822	\$4,336,065	\$462,460	\$0	\$4,800,000	\$334,323	(\$67,643)		(\$67,643)		(\$67,643)
Nov-13	\$4,693,222	\$65,305	\$23,781	\$4,782,308	\$35,940	\$0	\$4,818,248	\$108,062	\$266,680		\$266,680		\$266,680
Dec-13	\$4,996,739	\$61,189	\$24,466	\$5,082,394	\$6,116	\$0	\$5,088,510	\$6,116	\$1,088,770		\$1,088,770		\$1,088,770
Jan-14	\$4,042,204	\$56,480	\$45,183	\$4,143,867	(\$117,459)	\$0	\$3,988,409	(\$193,116)	(\$1,285,540)		(\$1,285,540)		(\$1,285,540)
Feb-14	\$3,822,479	\$41,362	\$41,089	\$3,904,929	(\$98,402)	\$0	\$3,628,293	\$79,649	\$981,091		\$981,091		\$981,091
Mar-14	\$3,854,879	\$27,301	\$34,399	\$3,916,579	(\$243,219)	\$0	\$3,341,595	(\$631,156)	\$349,925		\$349,925		\$349,925
Apr-14	\$4,205,441	\$65,530	\$27,301	\$4,300,272	(\$243,219)	\$0	\$3,672,098	(\$414,230)	(\$84,925)		(\$84,925)		(\$84,925)
May-14	\$4,049,843	\$72,074	\$30,031	\$4,151,948	(\$257,670)	\$0	\$3,698,969	(\$253,462)	(\$790,957)		(\$790,957)		(\$790,957)
Jun-14	\$4,049,843	\$69,419	\$28,924	\$4,148,186	(\$165,181)	\$0	\$3,680,515	(\$467,671)	(\$1,258,628)		(\$1,258,628)		(\$1,258,628)
Jul-14	\$4,050,708	\$34,691	\$40,474	\$4,125,871	\$142,369	\$0	\$3,697,735	(\$426,136)	(\$1,686,761)		(\$1,686,761)		(\$1,686,761)
Aug-14	\$3,481,466	\$29,915	\$34,901	\$3,546,282	\$142,369	\$0	\$3,499,911	\$241,230	\$2,651,911		\$2,651,911		\$2,651,911
Sep-14	\$3,370,106	\$29,902	\$34,884	\$3,434,892	\$106,278	\$0	\$3,495,463	\$226,135	\$4,922,046		\$4,922,046		\$4,922,046
Oct-14	\$3,381,151	\$71,563	\$36,762	\$3,589,476	\$114,712	\$0	\$4,060,260	\$484,236	\$976,282		\$976,282		\$976,282
Nov-14	\$4,495,366	\$74,479	\$49,903	\$4,619,748	\$109,035	\$0	\$4,714,620	(\$102,705)	\$847,357		\$847,357		\$847,357
Dec-14	\$4,076,151	\$48,848	\$43,706	\$4,168,705	(\$110,799)	\$0	\$4,053,906	(\$126,468)	(\$1,793,413)		(\$1,793,413)		(\$1,793,413)
Jan-15	\$3,572,051	\$37,772	\$43,706	\$3,653,429	(\$107,688)	\$0	\$3,546,741	(\$7,687)	(\$2,868,761)		(\$2,868,761)		(\$2,868,761)
Feb-15	\$3,470,222	\$33,084	\$16,541	\$3,520,112	(\$43,053)	\$0	\$3,477,121	(\$65,931)	(\$3,934,692)		(\$3,934,692)		(\$3,934,692)
Mar-15	\$3,427,486	\$33,084	\$16,541	\$3,477,112	(\$43,053)	\$0	\$3,434,059	(\$42,053)	(\$4,356,745)		(\$4,356,745)		(\$4,356,745)
Apr-15	\$3,367,093	\$26,293	\$15,141	\$3,408,527	(\$46,304)	\$0	\$3,362,223	(\$45,304)	(\$4,802,049)		(\$4,802,049)		(\$4,802,049)
May-15	\$3,681,130	\$26,293	\$15,141	\$3,722,564	(\$47,193)	\$0	\$3,675,371	(\$119,246)	(\$5,921,295)		(\$5,921,295)		(\$5,921,295)
Jun-15	\$2,856,982	\$23,037	\$36,590	\$2,916,611	\$36,590	\$0	\$3,770,150	\$167,958	(\$7,759,253)		(\$7,759,253)		(\$7,759,253)
Jul-15	\$4,332,628	\$30,094	\$72,780	\$4,435,512	\$22,632	\$0	\$4,458,144	\$176,695	(\$13,558)		(\$13,558)		(\$13,558)
Aug-15	\$4,065,883	\$28,239	\$39,812	\$4,133,934	\$42,131	\$0	\$4,176,065	\$42,131	(\$390,643)		(\$390,643)		(\$390,643)
Sep-15	\$3,585,866	\$0	\$39,812	\$3,625,678	\$39,812	\$0	\$3,665,490	\$39,812	(\$1,045,111)		(\$1,045,111)		(\$1,045,111)
Oct-15	\$3,237,272	\$0	\$39,812	\$3,277,084	\$39,812	\$0	\$3,316,900	\$39,812	(\$1,005,298)		(\$1,005,298)		(\$1,005,298)
Nov-15	\$2,856,982	\$0	\$39,812	\$2,896,794	\$39,812	\$0	\$2,936,606	\$39,812	(\$969,486)		(\$969,486)		(\$969,486)
Dec-15	\$4,332,628	\$0	\$39,812	\$4,372,440	\$39,812	\$0	\$4,412,252	\$39,812	(\$1,909,298)		(\$1,909,298)		(\$1,909,298)
Jan-16	\$4,065,883	\$0	\$39,812	\$4,105,695	\$39,812	\$0	\$4,145,507	\$39,812	(\$1,869,486)		(\$1,869,486)		(\$1,869,486)
Feb-16	\$3,585,866	\$0	\$39,812	\$3,625,678	\$39,812	\$0	\$3,665,490	\$39,812	(\$1,829,674)		(\$1,829,674)		(\$1,829,674)
Mar-16	\$3,082,846	\$0	\$39,812	\$3,122,658	\$39,812	\$0	\$3,162,470	\$39,812	(\$1,789,862)		(\$1,789,862)		(\$1,789,862)
Apr-16	\$3,028,747	\$0	\$39,812	\$3,062,605	\$39,812	\$0	\$3,102,417	\$39,812	(\$1,749,050)		(\$1,749,050)		(\$1,749,050)
May-16	\$3,028,747	\$0	\$39,812	\$3,062,605	\$39,812	\$0	\$3,102,417	\$39,812	(\$1,709,238)		(\$1,709,238)		(\$1,709,238)

ATTACHMENT 2

PECO ENERGY COMPANY

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

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

Application Period: February 1, 2017 through February 28, 2017

cents/kWh

	Amount	Rate GS			Rate PD			Rate HT			Rate EP		
		w/o GRT Rate Incl. Line Loss Ratio	w/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	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)	\$ 71,710	0.334	0.375	0.347	0.369	0.333	0.354	0.333	0.354	0.333	0.354	0.334	
-Additional AEPS Cost	\$ 10	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	\$ 71,720	0.334	0.375	0.347	0.369	0.333	0.354	0.333	0.354	0.333	0.354	0.334	
AC Administrative Cost Factor													
-Administrative Cost	\$ 1,978	0.009	0.010	0.009	0.010	0.009	0.010	0.009	0.010	0.009	0.010	0.010	
Total Administrative Service Cost	\$ 1,978	0.009	0.010	0.009	0.010	0.009	0.010	0.009	0.010	0.009	0.010	0.010	
E Factor Including Interest													
-Over/(Under) Collection, Jan 2011 to Oct 2016	\$ 382,523	1.688	1.784	1.688	1.784	1.688	1.784	1.688	1.784	1.688	1.784	1.794	
-Net Interest, Jan 2011 to Oct 2016	\$ 4,737	0.022	0.023	0.022	0.023	0.022	0.023	0.022	0.023	0.022	0.023	0.023	
-Prior Period Over/Under Collection Revenue, Nov 2016 to Jan 2017	\$ (987,646)	-1.803	-1.916	-1.803	-1.916	-1.803	-1.916	-1.803	-1.916	-1.803	-1.916	-1.916	
-Prior Period Interest Revenue, Nov 2016 to Jan 2017	\$ (5,114)	-0.024	-0.026	-0.024	-0.026	-0.024	-0.026	-0.024	-0.026	-0.024	-0.026	-0.026	
Total E Factor Including Interest	\$ (25,100)	-0.117	-0.125	-0.117	-0.125	-0.117	-0.125	-0.117	-0.125	-0.117	-0.125	-0.125	
WC Working Capital Adjustment													
-Working Capital Adjustment (b)		0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034	0.034	
Total Working Capital Adjustment		0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034	0.032	0.034	0.034	
Total GSA Rate (AS + AC + E + WC)		0.492	0.544	0.505	0.538	0.491	0.523	0.491	0.523	0.491	0.523	0.523	
S Sales for Application Period in kWh	21,497,213												
Gross Receipts Tax (GRT)	5.90%												

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

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

For the Period February 1, 2017 through February 28, 2017

Month	Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1)	Additional AEPS Costs (2)	Administrative Cost (3)
Feb-17	\$71,710	\$10	\$1,978

**PECO GSA 4 (Hourly) Default kWh Sales
For the Period February 1, 2017 through February 28, 2017**

Month	Total kWh	Rate GS kWh	Rate PD kWh	Rate HT kWh	Rate EP kWh
Feb-17	21,497,213	1,302,783	197,307	19,997,123	-

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 December 16, 2016

Effective February 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 – 8th 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 – 13th 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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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

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

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 = $\Sigma O / (U) / S_3 \times \text{usage}$ 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.

<u>Tariff Rate</u>	<u>GS</u>	<u>PD</u>	<u>HT</u>
Hourly Pricing Adder* (dollars/kWh)	\$0.00746	\$0.00740	\$0.00725

(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

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

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.

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

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)	\$0.00544	\$0.00538	\$0.00523	\$0.00523

(I)

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

(I) Denotes Increase