



An Exelon Company

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March 16, 2017

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. 37
Effective May 1, 2017, Docket No. P-2014-2409362

Dear Secretary Chiavetta:

This letter transmits for filing with the Commission Supplement No. 37 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 May 1, 2017 through May 31, 2017, respectively.

The proposed rate for Rate HT (High Tension Power) for May 2017 of a credit value of 0.126 cents/kWh reflects a decrease of 0.682 cents/kWh compared to the rate effective April 2017 for Procurement Class 3 - Hourly Pricing.

The proposed rate for Rate HT (High Tension Power) for May 2017 of a credit value of 0.062 cents/kWh reflects an increase of 1.225 cents/kWh compared to the rate effective April 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
March 16, 2017
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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 long horizontal flourish.

Copies to: C. Walker-Davis, Director, Office of Special Assistants
P. T. Diskin, Director, Bureau of Technical Utility Services
K. Monaghan, 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)

Application Period: May 1, 2017 through May 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/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) | \$134,539 page 2 | 0.345 | 0.352 | 0.374 | 0.346 | 0.368 | 0.332 | 0.353 | 0.332 | 0.368 | 0.332 | 0.353 |
| -Additional AEPS Cost | \$42 page 2 | 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 | \$134,581 | 0.345 | 0.352 | 0.374 | 0.346 | 0.368 | 0.332 | 0.353 | 0.332 | 0.368 | 0.332 | 0.353 |
| AC Administrative Cost Factor | | | | | | | | | | | | |
| -Administrative Cost | \$2,973 page 2 | 0.008 | 0.008 | 0.009 | 0.008 | 0.009 | 0.008 | 0.009 | 0.008 | 0.009 | 0.008 | 0.009 |
| Total Administrative Service Cost | \$2,973 | 0.008 | 0.008 | 0.009 | 0.008 | 0.009 | 0.008 | 0.009 | 0.008 | 0.009 | 0.008 | 0.009 |
| E Factor Including Interest (c) | | | | | | | | | | | | |
| -Over/(Under) Collection Jan 2011 to Jan 2017 | | | | | | | | | | | | |
| -Net Interest Jan 2011 to Jan 2017 | | | | | | | | | | | | |
| -Prior Period Over/(Under) Collection Revenue, Feb 2017 to Apr 2017 | 1 month sales recovery (\$51,779) page 7 | -0.133 | -0.133 | -0.141 | -0.133 | -0.141 | -0.133 | -0.141 | -0.133 | -0.141 | -0.133 | -0.141 |
| -Prior Period Interest Revenue, Feb 2017 to Apr 2017 | 1 month sales recovery (\$3,172) page 9 | -0.008 | -0.008 | -0.009 | -0.008 | -0.009 | -0.008 | -0.009 | -0.008 | -0.009 | -0.008 | -0.009 |
| | 1 month sales recovery \$240,412 page 7 | 0.617 | 0.617 | 0.656 | 0.617 | 0.656 | 0.617 | 0.656 | 0.617 | 0.656 | 0.617 | 0.656 |
| | 1 month sales recovery \$5,877 page 8 | 0.015 | 0.015 | 0.016 | 0.015 | 0.016 | 0.015 | 0.016 | 0.015 | 0.016 | 0.015 | 0.016 |
| Total E Factor Including Interest | \$191,388 | 0.491 | 0.491 | 0.522 | 0.491 | 0.522 | 0.491 | 0.522 | 0.491 | 0.522 | 0.491 | 0.522 |
| 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 |
| 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 |
| Total GSA Rate (AS + AC + E + WC) | | -0.106 | -0.099 | -0.105 | -0.105 | -0.111 | -0.119 | -0.126 | -0.119 | -0.111 | -0.119 | -0.126 |
| \$ Sales for Application Period in kWh | 38,941,997 page 3 | | | | | | | | | | | |
| Gross Receipts Tax (GRT) | 5.90% | | | | | | | | | | | |

(a) Adjusted for overall line loss factor ratio
 (b) Based on Settlement at Docket No. R-2015-2468981
 (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 May 1, 2017 through May 31, 2017

| Month | Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance | Additional AEPS Costs | Administrative Cost |
|--------------|---|------------------------------|----------------------------|
| | (1) | (2) | (3) |
| May-17 | \$134,539 | \$42 | \$2,973 |

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

| Month | Total kWh | Rate GS kWh | Rate PD kWh | Rate HT kWh |
|--------------|----------------------|------------------------|------------------------|------------------------|
| May-17 | 38,941,997 | 23,647,955 | 2,633,068 | 12,660,975 |

PECO GSA 3 Actual Monthly Over/(Under) Collections
For the Period January 1, 2011 through May 31, 2016

| Month | Default Supplier Spot, Full Requirements Cost for Energy, Capacity, Ancillary Service and AEPS | Default Supplier Fixed, Full Requirements Cost for Energy, Capacity and Ancillary Services | Additional AEPS Costs | Administrative Cost | 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) | |
| Jun-13 | \$1,377 | \$5,181,412 | \$67,272 | \$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 | |

| 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 | \$1,477,319 | \$6,797 | \$128 | \$6,999 | \$1,491,243 | 1.00000000 | \$1,491,243 |
| Nov-16 | \$1,985,335 | \$2,654 | \$2 | \$3,130 | \$1,991,121 | 1.00000000 | \$1,991,121 |
| Dec-16 | \$2,064,426 | \$4,446 | \$2 | \$2,792 | \$2,071,667 | 1.00000000 | \$2,071,667 |
| Jan-17 | | | | | | | |
| Feb-17 | | | | | | | |
| Mar-17 | | | | | | | |
| Apr-17 | | | | | | | |

PECO GSA 3 Actual Interest Calculation
For the Period January 1, 2011 through May 31, 2016

| Month | Current Period Portion of Revenue | Total Cost | Current Over/(Under) Collection for Interest | Interest Rate | Interest Time Factor | Interest Time Factor Denominator | Total Interest to be Returned to Customers | Interest Revenue Excl GRT in E Factor from (Returned to) Customers for 3 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) | Monthly Portion of Interest, Net of Interest Revenue, for 6 Month Recovery | Monthly Portion of Interest, Net of Interest Revenue, for 1 Month Recovery | Cumulative Portion of Interest, Net of Interest Revenue, for 6 Month Recovery | Cumulative Portion of Interest, Net of Interest Revenue, for 1 Month Recovery |
|--------|--------------------------------------|-------------------------------------|--|---------------|----------------------|----------------------------------|--|---|--|--|--|--|---|---|
| | (1) = (11) from Attachment 1, page 6 | (2) = (7) from Attachment 1, page 4 | (3) = (1) - (2) | (4) | (5) | (6) | (7) = (3) x (4) x (5) / (6) | (8) | (9) | (10) = (7) + (8) + (9) | (11) = (10) from 2016 to May 2016 | (12) = (10) from 2016 to May 2016 | (13) = (11) + (12) from 2016 to May 2016 | (14) = (12) + (13) from 2016 to May 2016 |
| Jul-13 | \$5,101,368 | \$5,226,729 | (\$125,361) | 6.00% | 6.5 | 12 | (\$4,074) | \$0 | \$0 | (\$52,638) | | | | |
| Aug-13 | \$4,756,546 | \$4,595,391 | \$161,155 | 8.00% | 5.5 | 12 | \$5,909 | \$0 | \$0 | (\$56,712) | | | | |
| Sep-13 | \$4,498,029 | \$4,129,961 | \$368,068 | 8.00% | 7.5 | 12 | \$18,403 | \$0 | \$0 | (\$60,803) | | | | |
| Oct-13 | \$4,007,816 | \$3,982,968 | \$24,848 | 8.00% | 6.5 | 12 | \$1,077 | \$17,811 | \$0 | (\$14,589) | | | | |
| Nov-13 | \$3,767,620 | \$3,895,757 | (\$128,137) | 8.00% | 5.5 | 12 | (\$1,077) | \$15,869 | \$0 | \$2,357 | | | | |
| Dec-13 | \$4,351,004 | \$4,250,862 | \$100,142 | 8.00% | 7.5 | 12 | \$5,006 | \$14,911 | \$0 | \$13,744 | | | | |
| Jan-14 | \$4,784,648 | \$4,590,250 | \$204,398 | 8.00% | 6.5 | 12 | \$8,857 | \$0 | \$0 | \$18,750 | | | | |
| Feb-14 | \$4,105,867 | \$3,975,608 | \$129,259 | 8.00% | 5.5 | 12 | \$8,857 | \$0 | \$0 | \$27,607 | | | | |
| Mar-14 | \$3,795,144 | \$4,183,525 | (\$388,381) | 8.00% | 7.5 | 12 | (\$18,591) | \$0 | \$0 | \$46,188 | | | | |
| Apr-14 | \$3,439,998 | \$3,972,752 | (\$532,754) | 8.00% | 6.5 | 12 | (\$8,082) | (\$5,648) | \$0 | \$37,628 | | | | |
| May-14 | \$3,915,316 | \$4,086,328 | (\$171,012) | 8.00% | 7.5 | 12 | (\$14,651) | (\$5,137) | \$0 | \$40,573 | | | | |
| Jun-14 | \$4,307,546 | \$4,443,069 | (\$135,523) | 8.00% | 6.5 | 12 | (\$6,413) | (\$4,729) | \$0 | \$21,193 | | | | |
| Jul-14 | \$4,148,186 | \$4,153,978 | (\$5,792) | 8.00% | 5.5 | 12 | (\$1,570) | (\$10,922) | \$0 | \$3,858 | | | | |
| Aug-14 | \$4,125,871 | \$3,778,736 | \$347,135 | 8.00% | 7.5 | 12 | \$17,357 | \$5,782 | \$0 | (\$24,288) | | | | |
| Oct-14 | \$3,566,282 | \$3,566,061 | \$22,221 | 8.00% | 6.5 | 12 | (\$968) | \$4,986 | \$0 | \$2,869 | | | | |
| Nov-14 | \$4,489,185 | \$3,957,073 | \$532,112 | 8.00% | 5.5 | 12 | (\$321) | \$4,983 | \$0 | \$7,531 | | | | |
| Dec-14 | \$4,845,548 | \$4,354,233 | \$491,315 | 8.00% | 7.5 | 12 | \$6,748 | \$5,970 | \$0 | \$20,249 | | | | |
| Jan-15 | \$4,605,585 | \$4,230,384 | \$375,201 | 8.00% | 11 | 12 | \$8,171 | \$6,445 | \$0 | \$34,865 | | | | |
| Feb-15 | \$4,170,413 | \$4,146,650 | \$23,763 | 8.00% | 10 | 12 | \$25,013 | \$6,124 | \$0 | \$66,002 | | | | |
| Mar-15 | \$3,654,807 | \$3,770,018 | (\$115,211) | 8.00% | 9 | 12 | \$1,426 | (\$11,089) | \$0 | \$42,011 | | | | |
| Apr-15 | \$3,550,487 | \$4,210,329 | (\$659,842) | 8.00% | 8 | 12 | (\$4,616) | (\$9,712) | \$0 | \$9,474 | | | | |
| May-15 | \$3,477,121 | \$3,441,136 | \$35,985 | 8.00% | 7 | 12 | (\$23,094) | (\$9,443) | \$0 | \$10,913 | | | | |
| Jun-15 | \$3,741,513 | \$3,778,984 | (\$37,471) | 8.00% | 6 | 12 | \$1,439 | \$0 | \$0 | \$6,852 | | | | |
| Jul-15 | \$3,812,162 | \$3,894,215 | (\$82,053) | 8.00% | 11 | 12 | (\$2,061) | \$0 | \$0 | \$5,249 | | | | |
| Aug-15 | \$3,728,607 | \$3,603,055 | \$125,552 | 8.00% | 10 | 12 | (\$3,603) | \$0 | \$0 | \$12,782 | | | | |
| Sep-15 | \$3,279,021 | \$3,138,856 | \$140,165 | 8.00% | 9 | 12 | \$7,533 | \$0 | \$0 | \$20,257 | | | | |
| Oct-15 | \$2,895,841 | \$2,926,473 | (\$30,632) | 8.00% | 8 | 12 | \$7,475 | \$0 | \$0 | \$19,185 | | | | |
| Nov-15 | \$3,901,797 | \$3,593,244 | \$308,553 | 8.00% | 7 | 12 | \$12,342 | \$0 | \$0 | \$31,527 | | | | |
| Dec-15 | \$4,445,512 | \$3,802,575 | \$642,937 | 8.00% | 6 | 12 | \$15,002 | \$0 | \$0 | \$46,529 | | | | |
| Jan-16 | \$4,172,932 | \$3,650,674 | \$522,258 | 3.50% | 8 | 12 | \$10,663 | \$0 | \$0 | \$57,192 | | | | |
| Feb-16 | \$3,507,837 | \$3,909,810 | (\$401,973) | 3.50% | 7 | 12 | (\$5,202) | (\$12,902) | \$0 | \$44,290 | | | | |
| Mar-16 | \$3,110,719 | \$3,397,015 | (\$286,296) | 3.50% | 4.5 | 12 | (\$3,758) | (\$11,441) | \$0 | \$23,815 | | | | |
| Apr-16 | \$3,032,605 | \$2,972,544 | \$60,061 | 3.50% | 4.5 | 12 | \$789 | (\$11,188) | \$0 | \$13,415 | | | | |
| May-16 | | | | | | | | | | | | | | |

(1) = (11) from Attachment 1, page 6
 (2) = (7) from Attachment 1, page 4
 (3) = (1) - (2)
 (4)
 (5)
 (6)
 (7) = (3) x (4) x (5) / (6)
 (8)
 (9)
 (10) = (7) + (8) + (9)
 (11) = (10) from 2016 to May 2016
 (12) = (10) from 2016 to May 2016
 (13) = (11) + (12) from 2016 to May 2016
 (14) = (12) + (13) from 2016 to May 2016

PECO GSA 3 (Hourly) Actual Interest Calculation
For the Period June 1, 2016 through January 31, 2017 and February 2017, March 2017 and April 2017

| Month | Current Period Portion of Revenue | Total Cost | Current Over/(Under) Collection for Interest | Interest Rule Time Factor | Interest Factor | Interest Time Factor | Total Interest to be Returned to Customers | Interest Revenue Excl GRT in E Factor | Cumulative Interest to be Returned to Customers | Monthly Portion of Interest, Net of Interest Revenue, for 6 Month Recovery | Cumulative Portion of Interest, Net of Interest Revenue, for 6 Month Recovery | Monthly Portion of Interest, Net of Interest Revenue, for 1 Month Recovery | Cumulative Portion of Interest, Net of Interest Revenue, for 1 Month Recovery |
|--------|--------------------------------------|-------------------------------------|--|---------------------------|-----------------|----------------------|--|---------------------------------------|---|--|---|--|---|
| | (1) = (11) from Attachment 1, Page 7 | (2) = (7) from Attachment 1, Page 6 | (3) = (1) - (2) | (4) | (5) | (6) | (7) = (3) x (4) x (5) / (6) | (8) | (9) | (11) = (8) from Jun 2016 to Nov 2016 | (12) = Cumulative from (11) | (13) = (7) + (8) from Jun 2016 to Nov 2016 | (14) = Cumulative from (13) |
| May-16 | \$1,785,484 | \$2,041,782 | (\$252,298) | 3.50% | 4.5 | 12 | (\$3,364) | (\$6,384) | \$13,415 | (\$6,384) | \$21,661 | (\$6,384) | (\$6,246) |
| Jun-16 | \$2,168,936 | \$2,724,232 | (\$552,296) | 3.50% | 4.5 | 12 | (\$7,286) | (\$6,900) | \$3,657 | (\$6,624) | \$15,277 | (\$6,900) | (\$11,610) |
| Jul-16 | \$2,890,475 | \$2,180,254 | \$710,221 | 3.50% | 4.5 | 12 | \$6,815 | \$4,782 | \$3,345 | (\$4,289) | \$8,653 | \$11,697 | (\$11,398) |
| Aug-16 | \$2,140,305 | \$1,995,975 | \$144,330 | 3.50% | 4.5 | 12 | \$1,896 | (\$7,555) | \$3,963 | (\$3,554) | \$4,364 | \$11,697 | (\$401) |
| Sep-16 | \$1,594,073 | \$1,525,215 | \$67,800 | 3.50% | 4.5 | 12 | \$890 | \$5,963 | (\$5,350) | (\$3,387) | \$710 | (\$5,659) | (\$6,060) |
| Oct-16 | \$1,529,481 | \$1,491,245 | \$38,236 | 3.50% | 4.5 | 12 | \$502 | \$11,734 | (\$1,884) | (\$3,054) | (\$2,677) | (\$5,853) | \$793 |
| Nov-16 | \$1,859,769 | \$1,991,121 | (\$131,352) | 3.75% | 4.5 | 12 | (\$539) | (\$10,109) | \$7,298 | (\$3,387) | (\$2,677) | (\$5,853) | (\$6,060) |
| Dec-16 | \$2,290,649 | \$2,071,667 | \$218,982 | 3.75% | 4.5 | 12 | \$3,079 | (\$2,704) | (\$3,442) | (\$92) | (\$5,731) | \$12,236 | \$13,029 |
| Jan-17 | | | | | | | | (\$105) | (\$3,172) | (\$105) | | | |
| Feb-17 | | | | | | | | (\$81) | | | | | |
| Mar-17 | | | | | | | | \$0 | | | | | |
| Apr-17 | | | | | | | | \$738 | | | | | |

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: May 1, 2017 through May 31, 2017

cents/kWh

| | Amount | GSA | | | Rate GS | | | Rate PD | | | Rate HT | | | Rate EP | | |
|---|--------------|--------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | | Rate | w/o GRT | w/GRT |
| | | | Incl. Line |
| | | | Loss Ratio |
| AS Ancillary Services and Alternative Energy Portfolio Standards Factor | | | | | | | | | | | | | | | | |
| -Ancillary Service and AEPS (a) | \$ 85,256 | 0.333 | 0.352 | 0.374 | 0.346 | 0.368 | 0.332 | 0.353 | 0.332 | 0.359 | 0.332 | 0.359 | 0.332 | 0.359 | 0.332 | 0.359 |
| -Additional AEPS Cost | \$ 13 | 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 | \$ 85,268 | 0.333 | 0.352 | 0.374 | 0.346 | 0.368 | 0.332 | 0.353 | 0.332 | 0.359 | 0.332 | 0.359 | 0.332 | 0.359 | 0.332 | 0.359 |
| AC Administrative Cost Factor | | | | | | | | | | | | | | | | |
| -Administrative Cost | \$ 1,952 | 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 | \$ 1,952 | 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 Jan 2017 | \$ 589,460 | 2.306 | 2.306 | 2.451 | 2.306 | 2.451 | 2.306 | 2.451 | 2.306 | 2.451 | 2.306 | 2.451 | 2.306 | 2.451 | 2.306 | 2.451 |
| -Net Interest Jan 2011 to Jan 2017 | \$ 6,666 | 0.034 | 0.034 | 0.036 | 0.034 | 0.036 | 0.034 | 0.036 | 0.034 | 0.036 | 0.034 | 0.036 | 0.034 | 0.036 | 0.034 | 0.036 |
| -Prior Period Over/Under Collection Revenue, Feb 2017 to Apr 2017 | \$ (480,886) | -1.881 | -1.881 | -1.999 | -1.881 | -1.999 | -1.881 | -1.999 | -1.881 | -1.999 | -1.881 | -1.999 | -1.881 | -1.999 | -1.881 | -1.999 |
| -Prior Period Interest Revenue, Feb 2017 to Apr 2017 | \$ (7,182) | -0.028 | -0.028 | -0.030 | -0.028 | -0.030 | -0.028 | -0.030 | -0.028 | -0.030 | -0.028 | -0.030 | -0.028 | -0.030 | -0.028 | -0.030 |
| Total E Factor Including Interest | \$ 110,076 | 0.431 | 0.431 | 0.458 | 0.431 | 0.458 | 0.431 | 0.458 | 0.431 | 0.458 | 0.431 | 0.458 | 0.431 | 0.458 | 0.431 | 0.458 |
| 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) | | -0.058 | -0.039 | -0.041 | -0.045 | -0.047 | -0.059 | -0.062 | -0.059 | -0.062 | -0.059 | -0.062 | -0.059 | -0.062 | -0.059 | -0.062 |
| S Sales for Application Period in kWh | 25,567,424 | | | | | | | | | | | | | | | |
| Gross Receipts Tax (GRT) | 5.90% | | | | | | | | | | | | | | | |

(a) Adjusted for overall line loss factor ratio
(b) Based on Settlement at Docket No. P-2015-2468981

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

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

| Month | Default Supplier Hourly Pricing and PECO Provided Spot Ancillary Services, AEPS Compliance (1) | Additional AEPS Costs (2) | Administrative Cost (3) |
|--------|--|---------------------------|-------------------------|
| May-17 | \$85,256 | \$13 | \$1,952 |

**PECO GSA 4 (Hourly) Default kWh Sales
For the Period May 1, 2017 through May 31, 2017**

| Month | Total kWh | Rate GS kWh | Rate PD kWh | Rate HT kWh | Rate EP kWh |
|--------------|----------------------|------------------------|------------------------|------------------------|------------------------|
| May-17 | 25,567,424 | 1,397,924 | 228,770 | 23,940,730 | - |

PECO GSA 4 (Hourly) Actual Monthly Over/(Under) Collections
 For the Period January 1, 2011 through January 31, 2017
 and February 2017, March 2017 and April 2017

Current Revenue for Over/(Under) Excluding GRT Prior Period Revenue for Over/(Under) Excluding GRT

| Month | Default Supplier and PECO Provided Current Revenue for Services and AEPs Excl Energy, Capacity Excl GRT | Default Supplier and PECO Provided Current Revenue for Administrative Cost Excl GRT | Total Current Period Revenue Excl GRT | E Factor Excl Interest and GRT for 1 month recovery | E Factor Excl Interest and GRT for 12 month recovery | E Factor Excl Interest Total Prior Period Revenue Excl GRT | Total Current and Prior Period Revenue Excl GRT | Monthly Over/(Under) Collection | Cumulative Over/(Under) Collection |
|--------|---|---|---------------------------------------|---|--|--|---|---------------------------------|------------------------------------|
| | (8) | (9) | (10) | (11)=(8)+(9)+(10) | (12) | (13) | (15)=(11)+(14) | (16)=(15)+(7) | (17)=Cumulative from (16) |
| Jun-13 | \$3,053,361 | \$161,553 | \$13,087 | \$3,228,001 | \$684,388 | \$0 | \$4,112,389 | \$653,659 | (\$1,323,181) |
| Jul-13 | \$2,757,451 | \$181,216 | \$15,974 | \$2,954,621 | \$257,931 | \$0 | \$3,212,552 | \$600,145 | (\$469,522) |
| Sep-13 | \$2,356,806 | \$171,542 | \$21,879 | \$2,550,227 | (\$176,633) | \$0 | \$2,373,594 | (\$321,686) | \$130,623 |
| Oct-13 | \$2,121,936 | \$156,833 | \$16,855 | \$2,295,624 | \$349,814 | \$0 | \$2,645,438 | \$93,867 | (\$191,073) |
| Nov-13 | \$2,311,297 | \$167,401 | \$14,666 | \$2,493,364 | \$98,789 | \$0 | \$2,592,153 | \$150,733 | (\$97,206) |
| Dec-13 | \$2,597,010 | \$187,978 | \$16,233 | \$2,801,221 | (\$464,902) | \$0 | \$2,336,319 | (\$432,280) | (\$378,763) |
| Jan-14 | \$5,619,822 | \$224,998 | \$15,037 | \$5,859,857 | \$224,993 | \$0 | \$6,084,850 | (\$4,509,502) | (\$4,888,265) |
| Feb-14 | \$9,236,649 | \$231,197 | \$19,923 | \$9,487,769 | \$486,540 | \$0 | \$9,974,309 | \$5,437,093 | \$548,828 |
| Mar-14 | \$4,404,096 | \$183,399 | \$19,796 | \$4,607,291 | (\$66,893) | \$0 | \$4,540,398 | (\$83,270) | \$65,958 |
| Apr-14 | \$2,523,646 | \$140,188 | \$20,984 | \$2,684,818 | (\$94,944) | \$0 | \$2,589,874 | \$353,379 | \$818,937 |
| May-14 | \$2,013,970 | \$128,756 | \$16,618 | \$2,159,344 | (\$419,004) | \$0 | \$1,740,340 | (\$163,146) | \$655,791 |
| Jun-14 | \$1,492,780 | \$109,170 | \$11,080 | \$1,612,930 | \$161,690 | \$0 | \$1,865,740 | \$55,956 | \$711,747 |
| Jul-14 | \$1,715,473 | \$208,667 | \$9,012 | \$1,933,152 | (\$10,180) | \$0 | \$1,922,972 | (\$69,889) | \$337,495 |
| Aug-14 | \$2,111,403 | \$211,403 | \$17,444 | \$2,340,250 | (\$384,363) | \$0 | \$1,959,910 | (\$304,363) | \$641,858 |
| Sep-14 | \$1,349,755 | \$196,417 | \$17,067 | \$1,563,239 | (\$443,462) | \$0 | \$1,119,777 | (\$368,543) | (\$31,048) |
| Oct-14 | \$1,116,309 | \$177,641 | \$12,784 | \$1,306,734 | \$113,489 | \$0 | \$1,423,223 | (\$41,892) | (\$102,370) |
| Nov-14 | \$1,371,436 | \$181,196 | \$10,261 | \$1,562,893 | \$60,363 | \$0 | \$1,623,256 | (\$41,892) | (\$331,204) |
| Dec-14 | \$1,261,741 | \$187,626 | \$7,752 | \$1,457,119 | (\$85,748) | \$0 | \$1,371,371 | \$247,104 | (\$84,100) |
| Jan-15 | \$1,651,908 | \$228,984 | \$9,892 | \$1,890,784 | (\$55,938) | \$0 | \$1,834,845 | \$975,543 | (\$964,028) |
| Feb-15 | \$2,644,285 | \$248,594 | \$11,138 | \$2,904,017 | \$212,516 | \$0 | \$3,116,533 | \$879,928 | \$11,515 |
| Mar-15 | \$3,335,648 | \$183,178 | \$12,760 | \$3,531,586 | \$144,697 | \$0 | \$3,676,283 | \$975,543 | \$975,543 |
| Apr-15 | \$1,705,860 | \$175,696 | \$14,863 | \$1,896,409 | \$121,377 | \$0 | \$2,017,786 | \$541,037 | \$552,552 |
| May-15 | \$1,225,246 | \$141,024 | \$12,223 | \$1,378,493 | (\$327,809) | \$0 | \$1,050,684 | (\$403,391) | \$149,161 |
| Jun-15 | \$1,153,776 | \$121,516 | \$7,021 | \$1,282,313 | \$704,950 | \$0 | \$1,987,263 | \$737,966 | \$687,127 |
| Jul-15 | \$1,478,713 | \$182,676 | \$7,796 | \$1,669,185 | (\$586,686) | \$0 | \$1,082,499 | (\$488,709) | \$398,418 |
| Aug-15 | \$1,583,143 | \$175,006 | \$7,561 | \$1,765,710 | (\$413,734) | \$0 | \$1,351,976 | (\$245,976) | \$152,442 |
| Sep-15 | \$1,120,395 | \$133,531 | \$7,812 | \$1,261,738 | \$188,704 | \$0 | \$1,450,442 | (\$135,488) | \$16,954 |
| Oct-15 | \$1,472,501 | \$170,311 | \$9,911 | \$1,652,723 | (\$86,638) | \$0 | \$1,566,085 | (\$207,440) | \$183,595 |
| Nov-15 | \$1,000,563 | \$117,860 | \$6,897 | \$1,125,320 | (\$136,630) | \$0 | \$988,690 | (\$23,845) | (\$23,845) |
| Dec-15 | \$1,089,082 | \$151,267 | \$6,060 | \$1,246,419 | (\$127,687) | \$0 | \$1,130,732 | \$52,167 | \$28,322 |
| Jan-16 | \$1,350,771 | \$167,693 | \$3,348 | \$1,521,812 | \$443,765 | \$0 | \$1,965,577 | \$442,893 | \$471,215 |
| Feb-16 | \$1,287,209 | \$144,407 | \$2,014 | \$1,433,630 | (\$317,844) | \$0 | \$1,115,786 | (\$141,380) | \$329,635 |
| Mar-16 | \$890,166 | \$114,472 | \$2,053 | \$1,006,731 | (\$41,626) | \$0 | \$965,105 | (\$84,611) | \$265,224 |
| Apr-16 | \$786,636 | \$87,595 | \$2,055 | \$876,286 | (\$108,946) | \$0 | \$767,340 | (\$179,883) | \$85,341 |
| May-16 | \$973,789 | \$106,894 | \$2,055 | \$1,082,738 | \$7,751 | \$0 | \$1,095,944 | \$116,392 | \$201,768 |
| Jun-16 | \$1,104,480 | \$111,841 | \$2,717 | \$1,219,038 | (\$145,533) | \$0 | \$1,073,505 | \$24,235 | \$225,936 |
| Jul-16 | \$1,118,204 | \$95,778 | \$1,651 | \$1,215,633 | (\$34,664) | \$0 | \$1,180,969 | (\$314,345) | (\$96,377) |
| Aug-16 | \$1,293,114 | \$87,958 | \$1,584 | \$1,382,655 | \$42,981 | \$0 | \$1,425,637 | \$586,280 | \$497,903 |
| Sep-16 | \$1,128,614 | \$68,553 | \$2,413 | \$1,199,580 | (\$93,221) | \$0 | \$1,126,359 | (\$105,147) | \$392,756 |
| Oct-16 | \$635,204 | \$76,982 | \$2,110 | \$714,266 | (\$113,640) | \$0 | \$600,626 | (\$28,833) | \$362,920 |
| Nov-16 | \$820,793 | \$70,169 | \$1,774 | \$892,736 | \$159,272 | \$0 | \$1,052,008 | \$273,187 | \$636,110 |
| Dec-16 | \$1,648,008 | \$143,870 | \$3,681 | \$1,795,559 | (\$548,670) | \$0 | \$1,246,889 | (\$112,601) | \$523,509 |
| Jan-17 | \$1,316,369 | \$99,906 | \$2,520 | \$1,418,795 | (\$36,864) | \$0 | \$1,381,931 | \$65,981 | \$589,490 |
| Feb-17 | | | | | (\$122,555) | \$0 | | | |
| Mar-17 | | | | | (\$371,017) | \$0 | | | |
| Apr-17 | | | | | | \$0 | | | |

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 March 16, 2017

Effective May 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 – 11th 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 – 16th 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

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

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.

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

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.

| Tariff Rate | GS | PD | HT |
|-------------------------------------|------------|------------|------------|
| Hourly Pricing Adder* (dollars/kWh) | -\$0.00105 | -\$0.00111 | -\$0.00126 |

(D)

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

(D) Denotes Decrease

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

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

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.

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

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) | -\$0.00041 | -\$0.00047 | -\$0.00062 | -\$0.00062 |

(I)

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

(I) Denotes Increase