



An Exelon Company

Richard G. Webster, Jr.  
Vice President

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

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

May 30, 2017

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

Re: Replacement Page to Supplement No. 45 to Electric Tariff – Pa PUC No. 5, originally issued on May 17, 2017 effective June 1, 2017, Docket No. M-2017-2604825

Dear Secretary Chiavetta:

PECO Energy Company previously issued Tariff Supplement No. 45 to PECO's Electric Tariff - Pa. P.U.C. No. 5 bearing an effective date of June 1, 2017 representing the Electric Smart Meter Cost Recovery Surcharge (SMCRS) filing. This letter transmits for filing with the Commission a replacement page to page 42. This page is revised to reflect the correct rate to the Large C&I customers on the tariff page in the company's compliance filing at Docket No. M-2017-2604825. Customers have not been impacted as they have not been billed since the rates are effective June 1, 2017.

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.G.W.", followed by a horizontal line.

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

**SMART METER COST RECOVERY SURCHARGE (SMCRS)**

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

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

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

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

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

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

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

Residential – Rates R, RH, = \$0.00011/kWh	(I)
Small C&I – Rate GS = (\$0.28)/Fixed Distribution Charge	(D)
Large C&I – Rates HT, PD, EP = \$2.76/Fixed Distribution Charge	(I)

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

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

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

(D) Denotes Decrease  
(I) Denotes Increase

Deleted: 1  
 Deleted: Sixth  
 Deleted: Fifth

PECO Energy Company

**SMART METER COST RECOVERY SURCHARGE (SMCRS)**

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

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

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

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

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

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

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

Residential – Rates R, RH, = \$0.0001 /kWh  
 Small C&I – Rate GS = \$0.28 / Fixed Distribution Charge  
 Large C&I – Rates HT, PD, EP = \$2.76 / Fixed Distribution Charge

(D)  
 (D)  
 (D)

Deleted: (  
 Deleted: 35  
 Deleted: )  
 Deleted: D  
 Deleted: 65  
 Deleted: I  
 Deleted: (  
 Deleted: 1  
 Deleted: 1  
 Deleted: 00  
 Deleted: )  
 Deleted: D

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

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

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

(D) Denotes Decrease  
 (I) Denotes Increase

Deleted:

Issued May 17, 2017

Effective June 1, 2017

Deleted: April  
 Deleted: May