



An Exelon Company

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AUG 15 2017

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

August 15, 2017

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

SUBJECT: PECO Energy Company - Electric Smart Meter Cost Recovery Surcharge (SMCRS)

Dear Secretary Chiavetta:

This letter transmits for filing PECO's plan to eliminate its SMCRS for the period starting September 1, 2017.

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

Although the on-going smart meter costs were rolled into base rates, any over/under collection balances that existed at January 1, 2016 needed to be refunded or recouped, as applicable, through the SMCRS. As such, PECO initiated recovery of the remaining over/under collection balances on March 1, 2016 to help ensure that the balances were fully recouped or refunded. In addition, in late 2016 and through mid-2017, PECO made several adjustments to the SMCRS to further ensure proper recovery/refund of the balances. As of July 1, 2017, PECO set the SMCRS to zero for all rates in anticipation of eliminating the surcharge.

PECO has performed a final accounting of its surcharge balances as of July 31, 2017. All customer classes now have under collected balances as shown in the table below.

Customer Class	Remaining Undercollected Balance
Residential Customers (Rates R and RH)	\$13,833
Small Commercial and Industrial Customers (Rate GS)	\$5,047
Large Commercial and Industrial Customers (Rates PD, HT and EP)	\$5,462

As a result of the SMCRS being eliminated, PECO plans to treat the undercollected balances in the following manner. For the remaining residential balance, PECO will consider recovery through the Consumer Education Plan Surcharge (CEC) or the Universal Service Fund Charge. For the Small and Large C&I balances, PECO will consider recovery through the CEC. In addition, PECO may opt to forgo these collections in the future.

Please direct any questions regarding the above to Richard Schlesinger, Manager, Retail Rates at 214-841-5771.

Please acknowledge receipt of the foregoing on the enclosed copy of this letter.

Rosemary Chiavetta, Secretary

August 15, 2017

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Sincerely,

Richard G. Webster, Jr. / RAS

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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

