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November 2, 2017

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Second Floor
Harrisburg, PA 17120

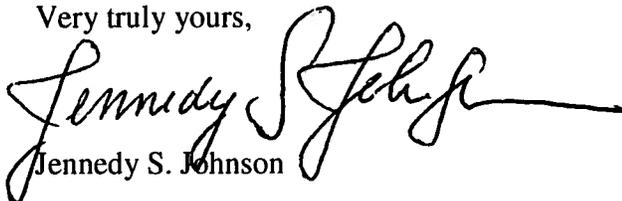
**Re: PECO 2016-2018 USECP at M-2015-2507139
Proposed Addendum F: PECO *De Facto* Heating Pilot Program**

Dear Secretary Chiavetta:

Attached for filing please find PECO Energy Company's revised Addendum F.

Thank you for your attention to this matter.

Very truly yours,



Jennedy S. Johnson

/adz

Attachments

c: Certificate of Service
via email:
James Farley, BCS, jafarley@pa.gov
Joseph Magee, jmagee@pa.gov
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Addendum F (revised 11/02/2017)

PECO De-facto heating Pilot program description

The PECO De-facto Heating program is designed to assist customers in reducing their dependency on and need to utilize electric portable space heating as their primary source of heating.

Eligibility: The income and usage eligibility for the De-facto heating pilot is the same as LIURP; in addition, participation in the LIURP program (electric or gas) is a requirement. Referrals will be accepted from the Pa. Weatherization programs within PECO's services territory.

If the use of portable electric space-heating is not resolvable through the De-Facto program, the account will be treated under the "additional" LIURP funding. An assessment will be conducted to determine if there are any other opportunities for electric usage reduction.

Presently, the only exclusion from the De-facto Heating Pilot program will be customers who have lost their primary heating source due to non-payment of their heating bill. Under this scenario an assessment will be conducted to determine the appropriate remedial action, if any.

Program Description

The De-facto program and LIURP extension will be a three year program. The program began on October 1, 2017 and has an ending date of September 30, 2020.

The company has identified approximately four hundred and ten customers who may be eligible for the program. The pool of candidates will be drawn from the 2016 / 2017 LIURP program. The projected average monthly level of complete jobs for the first program year is 22 with an average cost per property of \$3,200. Total number of projected completed jobs for program year one (2017-18) is 265. De-facto Heating participants who are LIURP participants will continue to receive the LIURP post-treatment follow-up.

Customer Interaction

The customer will be informed during their LIURP audit of the potential for additional services to be provided under the De-facto heating pilot. PECO will provide the customer with a brochure that explains the De-facto Heating Pilot.

The initial contact with the customer will be by telephone. If the call is unsuccessful a letter will be mailed to the customer requesting and encouraging them to call and schedule an appointment. The letter will be followed up with a telephone call. Customer contact and scheduling of appointments for October began in September 2017. The dedicated number, 1-844-359-3824, will be provided to the customer.

Addendum F (revised 11/02/2017)

Customer Education

The De-facto Heating participants will be provided with direct education including information about the appliance installed, its warranty and maintenance, as well as usage reduction.

Measures: Following is a partial list of measure that maybe installed

The following is a partial list of the measures that may be installed: heater replacement/ repair (electric/ gas), air sealing, weatherization, remediation of health and safety issues, and water heater replacement. The company is considering refrigerator replacement for LIURP-qualifying tenants in order to capture addition electric savings. This measure would be funded through the LIURP extension budget

Projected Budget

Attached is the budget for program year 2017-2018, which provides \$1,700,000 for De-facto heating jobs. Additionally PECO has provided the budgets for program years 2018-2019 and 2019-2020. These second and third year budgets are separated into \$700K for De-facto heating jobs and \$1M for LIURP. PECO has the discretion to use the \$1M towards De-facto heating or additional LIURP measures.

PECO has made the commitment that if the total on-going administration costs exceed 15% of the total budget, PECO will not seek cost recovery for such amounts.

Vendor Selection

Vendor selection was completed in June 2017. The selected vendor is G&C Environmental Services.

Pre-Implementation Review

PECO hosted a review of the De-facto Heating Pilot Program with members of the Universal Service's Advisory Committee (USAC) and a meeting with the County Pa. Weatherization managers to formalize the opportunities for coordination.

Performance and Reporting

PECO will track the installed measures as well as the number of participants on a monthly basis. PECO will provide Pilot status updates as part of its annual LIURP reporting (due on April 30 of each year). PECO will also provide status updates at its quarterly Universal Services Advisory Committee (USAC) meetings.

Addendum F: 2017 PECO De-facto heating budget

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
1	<i>Month Work Completed</i>	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	YTD	Admin (excl Start-up)		
2	Electric Defacto - 2017-18																							
3	Administration																							
4	Electric - Budget	\$60,000	\$60,000	\$60,000	\$50,000	\$40,000	\$20,000	\$10,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$540,000	\$240,000	14.1%
5	Actual	42,333	56,896	55,271	22,116	12,875	20,826	29,344														\$239,661		
6																								
7	Conservation																							
8	Electric - Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,000	\$20,630	\$17,690	\$23,570	\$29,480	\$29,480	\$29,480	\$29,480	\$29,480	\$29,480	\$29,480	\$29,480	\$29,480	\$305,730		
9	Electric - Actual							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
10																								
11	Weatherization																							
12	Electric - Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,895	\$64,605	\$53,840	\$71,785	\$89,735	\$89,735	\$89,735	\$89,735	\$89,735	\$89,735	\$89,735	\$89,735	854,270		
13	Electric - Actual							0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
14	Estimated #of Jobs																							
15	Totals - Electric																							
16	Budget	\$60,000	\$60,000	\$60,000	\$50,000	\$40,000	\$20,000	\$10,000	\$28,000	\$76,525	\$102,295	\$97,410	\$121,265	\$139,215	\$139,215	\$139,215	\$139,215	\$139,215	\$139,215	\$139,215	\$139,215	1,700,000		
17	Actual	\$42,333	\$56,896	\$55,271	\$22,116	\$12,875	\$20,826	\$29,344	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$239,661		
18	Variance	\$17,667	\$3,104	\$4,729	\$27,884	\$27,125	(\$826)	(\$19,344)	\$28,000	\$76,525	\$102,295	\$97,410	\$121,265	\$139,215	\$139,215	\$139,215	\$139,215	\$139,215	\$139,215	\$139,215	\$139,215	\$1,460,339		

Addendum F: 2018 PECO De-facto heating budget

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<i>Month Work Completed</i>	OCT'18	NOV'18	DEC'18	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUNE'19	JULY'19	AUG'19	SEPT'19	YTD
2	Electric Defacto - 2018-19													
3	Administration													
4	Electric - Budget	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$113,333
5	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6														
7	Conservation													
8	Electric - Budget	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$143,834
9	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10														
11	Weatherization													
12	Electric - Budget	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$442,833
13	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14														
15	Totals - Electric													
16	Budget	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$700,000
17	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18	Variance													

Addendum F: 2018 PECO LIURP budget

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<i>Month Work Completed</i>	OCT'18	NOV'18	DEC'18	JAN'19	FEB'19	MAR'19	APR'19	MAY'19	JUNE'19	JULY'19	AUG'19	SEPT'19	YTD
2	Electric LIURP - 2018-19													
3	Administration													
4	Electric - Budget	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$126,667
5	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6														
7	Conservation													
8	Electric - Budget	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$161,167
9	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10														
11	Weatherization													
12	Electric - Budget	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$712,166
13	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14														
15	Totals - Electric													
16	Budget	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$1,000,000
17	Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00
18	Variance													

Addendum F: 2019 PECO De-facto heating budget

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<i>Month Work Completed</i>	OCT'19	NOV'19	DEC'19	JAN'20	FEB'20	MAR'20	APR'20	MAY'20	JUNE'20	JULY'20	AUG'20	SEPT'20	YTD
2	Electric Defacto - 2019-20													
3	Administration													
4	Electric - Budget	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$9,444	\$113,333
5	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6														
7	Conservation													
8	Electric - Budget	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$11,986	\$143,834
9	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10														
11	Weatherization													
12	Electric - Budget	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$36,903	\$442,833
13	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14														
15	Totals - Electric													
16	Budget	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$58,333	\$700,000
17	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18	Variance													

Addendum F: 2019 PECO LIURP budget

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1	<i>Month Work Completed</i>	OCT'19	NOV'19	DEC'19	JAN'20	FEB'20	MAR'20	APR'20	MAY'20	JUNE'20	JULY'20	AUG'20	SEPT'20	YTD
2	Electric LIURP - 2019-20													
3	Administration													
4	Electric - Budget	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$10,556	\$126,667
5	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6														
7	Conservation													
8	Electric - Budget	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$13,431	\$161,167
9	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10														
11	Weatherization													
12	Electric - Budget	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$59,347	\$712,166
13	Electric - Actual	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14														
15	Totals - Electric													
16	Budget	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$83,333	\$1,000,000
17	Actual	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
18	Variance													

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**PECO Energy Company Universal :
Service and Energy Conservation Plan :
For 2016-2018 Submitted in Compliance : Docket No. M-2015-2507139
With 52 Pa. Code §§ 54.74 and 62.4 :**

CERTIFICATE OF SERVICE

I, Jennedy S. Johnson, hereby certify that I have this day served a copy of PECO Energy Company's revised Addendum F.

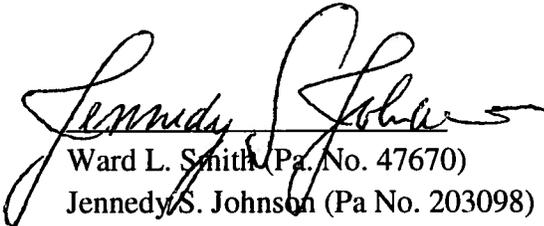
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Dated: November 2, 2017


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