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February 9, 2018

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

SUBJECT: PECO Energy Company – Net Metering Service (“RS-2”) - Electric Tariff No. 5 – Supplement No. 59, Effective April 20, 2018

Dear Secretary Chiavetta:

PECO Energy Company (“PECO”) submits for filing with the Pennsylvania Public Utility Commission (“PUC”) the Electric Tariff No. 5 Supplement No. 59 to be effective April 20, 2018. This supplement contains revised wording to PECO’s Net Metering (“RS-2”) tariff that specifies when residential level 1 and level 2 interconnection applications for Distributed Energy Resources (DER) expire.

The issue of establishing an expiration date was one of the key topics discussed by Commission Staff, Electric Distribution Companies (EDC), and Solar Developers at the PUC’s Joint Solar Interconnection Best Practices Collaborative meetings held in 2017. PECO agrees that an expiration date should be established for residential level 1 and level 2 applications.

Currently, applications have no expiration date and can remain “open” indefinitely. These applications are assigned a queue position per 52 PA Code Chapter 75 and by remaining open can prevent other subsequent applications from being approved. To address this problem PECO proposes that residential applications be valid for 180 calendar days from the date that PECO approves them.

However, a customer could request up to a 180 calendar day extension of the expiration date if more time is needed to complete a project. Extension requests would have to be made in writing or via e-mail, and would have to be made no less than 30 calendar days prior to an applications original expiration date. In order to ensure that developers are fully aware of the expiration dates of their applications, PECO intends to provide notice to developers at least 45 calendar days ahead of the expiration date.

The following attachments are included in support of this filing:

- **Attachment 1 – the Tariff (black and redline) containing the proposed tariff wording revision.**

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- Attachment 2 – the required 52 Pa Code Section 53.52 questions and answers.

Please contact Richard Schlesinger, Manager, Retail Rates at 214-841-5771 if you have any questions.

Sincerely,



Richard G. Webster, Jr.
Vice President
Regulatory Policy & Strategy

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 McNeese,
Wallace & Nurick

Enclosures

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

**2301 Market Street
Philadelphia, Pennsylvania 19101**

For List of Communities Served, See Page 4.

Issued ~~February 9, 2018~~

Effective April 20, 2018

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**ISSUED BY: C. L. Adams – President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101**

NOTICE

PECO Energy Company

Supplement No. 50 to
Tariff Electric Pa, P.U.C. No. 5
Fifty Ninth Revised Page No. 1
Supersedes Fifty Eighth Revised Page No. 1

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

RATE RS-2 NET METERING - 1st revised Page No. 52

RS-2 is revised to add a new section that describes rules for the expiration of interconnection applications.

Deleted: Provision for the Recovery of Consumer Education Plan Costs.

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Deleted: Increased the Consumer Education Plan Costs.

Deleted: Rate GS General Service -24th Revised Page No. 53

Increased the Fixed Distribution Service Charge to reflect the recovery of the Smart Meter Surcharge under-collection as approved at Docket #M-2017-2620391.¶

¶ Rate PD Primary Distribution -17th Revised Page No. 55¶ increased the Fixed Distribution Service Charge to reflect the recovery of the Smart Meter Surcharge under-collection as approved at Docket #M-2017-2620391.¶

¶ Rate HT High Tension -17th Revised Page No. 56¶ increased the Fixed Distribution Service Charge to reflect the recovery of the Smart Meter Surcharge under-collection as approved at Docket #M-2017-2620391.¶

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PECO Energy Company

RATE RS-2 NET METERING (continued)

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APPLICATION.

Customer-generators seeking to receive service under the provisions of this Rate must submit a written application to the Company demonstrating compliance with the Net Metering Rate provisions and quantifying the total rated generating capacity of the customer-generator facility. The installation cannot be directly connected to the Company's distribution system ("stand alone"). Instead, the installation must be connected to a facility (residence or business) that is connected to the Company's distribution system.

INTERCONNECTION EXPIRATION.

Interconnection applications will be reviewed and processed in accordance with the timeframes designated by PECO in Act 213 and (C) Title 52 of the Pa Code Chapter 75. A customer-generator (or authorized designee) must submit a completed certificate of completion ("COC") for residential level 1 and 2 interconnection applications to PECO within 180 calendar days from the date that PECO approves the interconnection application. If a COC is not received within 180 calendar days from the date that PECO approves the interconnection application then the residential level 1 and level 2 interconnection applications shall expire. A customer-generator may request an extension of a residential level 1 or level 2 application expiration date for good cause shown (i.e., that significant progress in construction of the interconnection has been or will be made). Upon a showing of good cause, the application expiration date will be extended. The length of the extension may be extended up to but no more than 180 calendar days. A customer-generator must make such extension requests in writing or via e-mail no less than 30 calendar days prior to an application's original expiration date. PECO will provide notice to developers of distributed generation at least 45 calendar days ahead of the original expiration date.

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MINIMUM CHARGE.

The Minimum Charges under Rate Schedule R, RH, CAP, GS, PD, HT and EP apply for installations under this Rate.

RIDERS.

Bills rendered by the Company under this Rate shall be subject to charges stated in any other applicable Rate.

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Issued February 9, 2015

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PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued February 9, 2018

Effective April 20, 2018

**ISSUED BY: C. L. Adams – President & CEO
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PHILADELPHIA, PA. 19101**

NOTICE

LIST OF CHANGES MADE BY THIS SUPPLEMENT

RATE RS-2 NET METERING – 1st revised Page No. 52

RS-2 is revised to add a new section that describes rules for the expiration of interconnection applications.

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RATE RS-2 NET METERING (continued)

APPLICATION.

Customer-generators seeking to receive service under the provisions of this Rate must submit a written application to the Company demonstrating compliance with the Net Metering Rate provisions and quantifying the total rated generating capacity of the customer-generator facility. The installation cannot be directly connected to the Company's distribution system ("stand alone"). Instead, the installation must be connected to a facility (residence or business) that is connected to the Company's distribution system.

INTERCONNECTION EXPIRATION.

Interconnection applications will be reviewed and processed in accordance with the timeframes designated by PECO in Act 213 and Title 52 of the Pa Code Chapter 75. A customer-generator (or authorized designee) must submit a completed certificate of completion ("COC") for residential level 1 and 2 interconnection applications to PECO within 180 calendar days from the date that PECO approves the interconnection application. If a COC is not received within 180 calendar days from the date that PECO approves the interconnection application then the residential level 1 and level 2 interconnection applications shall expire. A customer-generator may request an extension of a residential level 1 or level 2 application expiration date for good cause shown (i.e., that significant progress in construction of the interconnection has been or will be made). Upon a showing of good cause, the application expiration date will be extended. The length of the extension may be extended up to but no more than 180 calendar days. A customer-generator must make such extension requests in writing or via e-mail no less than 30 calendar days prior to an application's original expiration date. PECO will provide notice to developers of distributed generation at least 45 calendar days ahead of the original expiration date. (C)

MINIMUM CHARGE.

The Minimum Charges under Rate Schedule R, RH, CAP, GS, PD, HT and EP apply for installations under this Rate.

RIDERS.

Bills rendered by the Company under this Rate shall be subject to charges stated in any other applicable Rate.

Proposed Changes to PECO Energy Electric Tariff Original No. 5

Information furnished with the filing of rate changes under 52 Pa. Code, Section 53.52(a).

(a)(1) The specific reason for each change.

The issue of establishing an expiration date for interconnection applications was one of the key topics discussed by Commission Staff, Electric Distribution Companies (EDC), and Solar Developers at the PUC's Joint Solar Interconnection Best Practices Collaborative meetings held in 2017. The parties agreed that an expiration date should be established for residential level 1 and level 2 applications. Currently, interconnection applications have no expiration date and can remain "open" indefinitely. These applications are assigned a queue position per 52 PA Code Chapter 75 and PECO (or the Company) allocates capacity on the distribution system to an application once it's approved. This "reserved" capacity can "prevent" subsequent applications from being approved until the project associated with the application is either constructed or withdrawn. To address this problem PECO proposes that level 1 and level 2 residential interconnection applications be valid for up to 180 calendar days from the date that PECO approves them. Thus, residential distributed energy generation projects would have to be constructed and the completed Certificate of Completion ("COC") submitted to PECO within 180 calendar days. If the COC is not returned within the 180 calendar days, the application will expire. Any additional consideration of a specific interconnection application that expires would require a new application to be submitted for review.

However, PECO proposes that customers be permitted to request up to a 180 calendar day extension of the expiration date if more time is needed to complete a project, but they would have to do so in writing or via e-mail. Extension requests must include information that demonstrates to the Company's satisfaction that reasonable progress in completing the project is being made. This information could include, but not be limited to, proof of on-site work such as purchase order, equipment invoice or photo evidence. In addition, the Company would consider other information such as proof that permits have been issued. Extension requests would have to be made no less than 30 calendar days prior to an applications' original expiration date. To ensure that developers are fully aware of the expiration dates of their applications, PECO intends to provide notice to developers at least 45 calendar days ahead of the expiration date. The notice would contain a list of the expiration dates for all developer's applications.

(a)(2) The total number of customers served by the utility.

The total number of electric customers served by PECO was 1,634,149 as of December 31, 2017.

(a)(3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

No, PECO customers' bills will be affected by the changes.

(a)(4) The effect of the change on the utility's customers.

There will be no impact to any PECO customers.

(a)(5) The effect, whether direct or indirect, of the proposed change on the utility's revenue and expenses.

There is no expected impact on PECO's revenue or expenses because of the proposed changes.

(a)(6) The effect of the change on the service rendered by the utility.

There is no effect to the service rendered by PECO because of the proposed changes.

(a)(7) A list of factors considered by the utility.

See the response to question (a)(1).

(a)(8) Studies undertaken by the utility in order to draft its proposed change.

PECO conducted a review of the interconnection application expiration provisions of several electric utilities in states that are among the leaders in the country in solar installations (i.e., AZ, CA, MN, NY). The review identified seven utilities that have expiration terms that range from 6 months to 2 years. The findings of this review are summarized in the table below.

Company/State	Timeline	Description
Tucson Electric Power/AZ	180 days up to 270 days	Application cancelled if the completion of facility exceeds 180 days after the agreements effective date or 270 days if the interconnection is delayed by a third party or the company
Unisource Energy/AZ	180 days up to 270 days	Application cancelled if the completion of facility exceeds 180 days after the agreements effective date or 270 days if the interconnection is delayed by a third party or the company
Central Hudson Gas & Electric/NY	1 year	Failure to seek final acceptance within 12 months after completion of interconnection requirements process shall automatically terminate agreement
Pacific Gas & Electric/CA	1 year	Application cancelled if still pending one year from PG&E receipt and customer has not met all requirements
Southern California Edison/CA	1 year	Application will be withdrawn after 12 months if project has not received written authorization to operate or proof that project is going forward
Minnesota Power/MN	2 years	Application cancelled if final testing of system within 24 months of scheduled operational date is not complete
San Diego Gas & Electric/CA	2 years	Application cancelled if still pending two years from SDG&E receipt and customer has not met all requirements

PECO also performed an analysis of the number of pending applications as of December 31, 2017 that were greater than 6 months old in relation to the total number of pending applications (i.e., pending applications regardless of age). This analysis shows the total number of pending applications was 1437 while the total over 6 months in age was 752. This means that over 52% of all outstanding applications are over 6 months old. For this reason, PECO believes that the proposed interconnection expiration process should be adopted as a means for adding more efficiency to the process.

(a)(9) Customer polls taken and other documents, which indicate customer acceptance and desire for the proposed change.

There were no polls taken. However, as described in response to question (a)(1), as part of the PUC’s 2017 Joint Solar Interconnection Best Practices Collaborative meetings, the need for establishing an interconnection application expiration date and process for communicating this information was a key topic of discussion. The parties agreed that an expiration date should be established.

(a)(10) Plans the utility has for introducing or implementing the changes with respect to its customers.

PECO will communicate the tariff change to all developers in its service territory via e-mail and/or direct discussion (e.g., conference call). PECO will also post the tariff on its website (peco.com) under the proposed tariff section upon filing. Once approved, PECO will repost the tariff under the effective tariff section of peco.com. In addition, PECO will add details of this change to the Customer-Generated Power portion of its website.

(a)(11) F.C.C., or FERC or Commission orders or rulings applicable to the filings.

There are no applicable orders or rulings.