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October 12, 2018

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

Subject: Docket No. M-2018-3004394
Tariff Electric – PA PUC No. 5 Supplement No. 72 Issued
October 12, 2018 – Effective January 1, 2019
Universal Service Fund Charge – Section 1307 Mechanism
Final Annual Rate Adjustment for 2018

Dear Ms. Chiavetta:

Enclosed for filing with the Commission is PECO's final annual rate adjustment of the Electric Universal Service Fund Charge ("USFC") for 2018. This filing is made in accordance with the USFC provisions of Paragraph 33 and 34 of the Joint Petition for Full Settlement (R-00973953) as modified by Paragraph 35 of the PECO-Unicom Merger Settlement (Docket No. A-110550F0147) with the Commission's Order at Docket No's. R-00038535 & C-20031543 and consistent with the settlement in PECO's base rate case at Docket No. R-2010-2161575 & R-2015-2468981. In addition, this filing is made in accordance with paragraphs A.2, C.1 and C.2 of the settlement at Docket No. M-2012-2290911.

This filing contains a correction to the 2017 In-Program Arrears Forgiveness ("INPA") portion of the USFC. The 2017 INPA Forgiveness costs were inadvertently omitted from the 2018 rate filing. PECO is now including \$1.7M of INPA costs in the 2019 rate (see Attachment 2 - pages 1 and 5). PECO discussed this issue with the Bureau of Audits on February 14, 2018 and agreed to make this correction in the 2019 USFC filings.

The filing which includes actual data through September 2018 and estimated sales for the remainder of the year supports a total USFC rate of (\$0.00171)/kWh. This rate will be effective January 1, 2019 through December 31, 2019. For a typical residential customer using 700 kWh per month, the new USFC rate will result in a \$0.11 increase (or 0.11%) to the monthly bill.

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Page 2

In addition, the USFC tariff page has been revised to remove language in the F-factor that only applied in 2017.

This filing includes the following Exhibits:

Attachment 1 – Proposed USFC Tariff Sheets indicating the rate for 2019
Attachment 2 – USFC Calculation
Attachment 3 – Rate R Bill Comparison

Thank you for your assistance in this matter and please direct any questions regarding the above to Richard Schlesinger, Manager, Retail Rates (215) 841-5771.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Webster, Jr.", followed by a long horizontal flourish.

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

w/enclosures

cc: K. G. Sophy, Director - Office of Special Assistants
P. T. Diskin, Director – Bureau of Technical Utility Services
K. A. Monaghan, Director – Bureau of Audits
R. A. Kanaskie, Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
McNees, Wallace & Nurick
Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY
COMMISSION**

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

PECO ENERGY COMPANY -
ELECTRIC DIVISION

DOCKET NO. R-2015-2468981

CERTIFICATE OF SERVICE

I hereby certify and affirm that I have this day served a copy of the foregoing documents
on the following persons:

VIA ELECTRONIC MAIL AND USPS

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Date: October 12, 2018

ATTACHMENT 1

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

**2301 Market Street
Philadelphia, Pennsylvania 19101**

For List of Communities Served, See Page 4.

Issued October 12, 2018

Effective January 1, 2019

**ISSUED BY: M. A. Innocenzo – President & CEO
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NOTICE

PECO Energy Company

Supplement No. 72 to
Tariff Electric Pa. P.U.C. No. 5
Seventy-Second Revised Page No. 1
Supersedes Seventy-First Revised Page No. 1

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LIST OF CHANGES MADE BY THIS SUPPLEMENT

Provision for Recovery of Universal Service Fund Charge - 3rd Revised Page No. 38
Reflects annual update to USFC. F-factor paragraph updated to remove language related to 2017.

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Rate R – Residence Service – 27th Revised Page No. 48
Variable Distribution Charge increase to reflect annual update to USFC.

Rate RH – Residential Heating Service – 27th Revised Page No. 49
Variable Distribution Charge increase to reflect annual update to USFC.

Deleted: Language was removed to the cover page regarding temporary rates in accordance with Commission Order at Docket No. M-2018-2641242 adopted and entered on March 15, 2018. ¶
¶
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC)
– 4th revised Page No. 45¶
Revised DSIC rate from 0.48% to 0.69%. ¶

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Effective January 1, 2019

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PECO Energy Company

PROVISIONS FOR RECOVERY OF UNIVERSAL SERVICE FUND CHARGE (USFC)

Variable Distribution Service Charge rates for electric service in Residential Rate Schedule R and RH of this Tariff shall include a credit (\$0.00171) per kWh for recovery of Universal Service Fund Cost (USFC), calculated in the manner set forth below pursuant to Section 2804 (8) of the Competition Act. The USFC rate for electric service shall be increased or decreased annually, to reflect changes in the level of Universal Service Fund costs, net of base rate recoveries, in the manner described below.

COMPUTATION OF USFC

The USFC per kWh (\$0.0000), shall be computed in accordance with the formula set forth below:

$$USFC = \frac{(C+L-E-I) + F}{(S)}$$

The USFC, so computed, shall be included in distribution rates charged to Customers for service pursuant to the rate schedules identified above. The amount of USFC per kWh will vary, if appropriate, based upon annual filings by the Company.

In computing the USFC, per kWh, pursuant to the formula above, the following definitions shall apply:

Reconcilable Customer Assistance Program (CAP) Costs – The difference between discounts provided to CAP customers (CAP revenue shortfalls) recovered through base rates and total CAP discounts, net of a 27% offset factor.

USFC – Universal Service Fund Charge to be included in the rate for each kWh of Variable Distribution Service Charge calculated under Rate Schedules R and R-H to recover Reconcilable CAP Costs plus certain LIURP related expenditures.

C - Cost in dollars of the Reconcilable CAP Costs for the projected period. 2017 projected costs include the one year Phase-out benefit of \$50 per qualified CAP customer. This is the result of the settlement at Docket No M-2012-2290911 which focuses on the new CAP Fixed Credit Option (FCO) which will begin in October 2016.

L - Incremental LIURP related expenditures not included in base rates. 2017 projected costs include the incremental LIURP and De-facto heating audit spend beginning in October 2017 which is the result of the settlement at Docket No M-2012-2290911. This additional audit spend will occur for a three year period from October 2017 through September 2020.

E - The net overcollection or (undercollection) of Universal Service Fund Charges. The net overcollection or undercollection shall be determined for the most recent period, beginning with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. Included in the "E" factor will be Reconcilable CAP Costs, and LIURP related expenditures.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous USFC.

I - Interest on any over or under recovery balance. Interest shall be computed monthly at a 6% annual simple interest rate from the month that the overcollection or undercollection occurs to the mid-point of the recovery period.

F - Correction Factor of the In-Program Arrearage Forgiveness Program which was the result of the settlement at Appendix C of Docket No R-2015-2468981. This Correction Factor adjusts the \$2M recovery included in base rates. The \$2M was based upon the estimated Accounts Receivable balance ("A/R") of CAP customers at the time of the settlement. The Correction Factor adjusts the \$2M recovery to the final ending balance of the A/R at the time of conversion to the new CAP/FCO program. In 2018, the correction factor will return to an annual amount. The Correction Factor will be used for the period of 2016 through 2021.

S - projected kWh of electric service to be billed under Rate R and Rate RH (exclusive of CAP Rider) during the projected period when rates will be in effect.

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION, AUDIT, RECONCILIATION

The Company's annual USFC filing and its annual reconciliation statement shall be submitted to the Commission 120 days prior to new rates being effective January 1 of each year, or at such time as the Commission may prescribe. The USFC mechanism is subject to annual audit review by the Bureau of Audits.

(C) Denotes Change

(I) Denotes Increase

Issued October 12, 2018

Effective January 1, 2019

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RATE R RESIDENCE SERVICE

AVAILABILITY

Single phase service in the entire territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units whether occupied or not), for the domestic requirements of its members when such service is supplied through one meter. Service is also available for related farm purposes when such service is supplied through one meter in conjunction with the farmhouse domestic requirements.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date must be individually metered for their basic service supply. Centrally supplied master metered heating, cooling or water heating service may be provided if such supply will result in energy conservation.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost sharing basis; (c) the premises owned by a church, and primarily designated or set aside for and actually occupied and used as the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and the resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; (c) a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37 1/2 amperes at 240 volts.

CURRENT CHARACTERISTICS Standard single phase secondary service.

MONTHLY RATE TABLE

FIXED DISTRIBUTION SERVICE CHARGE \$8.45
FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS \$1.92

VARIABLE DISTRIBUTION SERVICE CHARGE:

All kWhs \$0.06536 per kWh

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ENERGY SUPPLY CHARGE

Refer to the Generation Supply Adjustment Procurement Class 1.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE The Transmission Service Charge shall apply.

MINIMUM CHARGE The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE, NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

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PAYMENT TERMS Standard

(U) Denotes increase

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Issued October 12, 2018

Effective January 1, 2019

PECO Energy Company

RATE R H RESIDENTIAL HEATING SERVICE

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AVAILABILITY.

Single phase service to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for domestic requirements when such service is provided through one meter and where the dwelling is heated by specified types of electric space heating systems. The systems eligible for this rate are (a) permanently connected electric resistance heaters where such heaters supply all of the heating requirements of the dwelling (b) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by electric resistance heaters, and (c) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by non electric energy sources. All space heating installations must meet Company requirements. This rate schedule is not available for commercial, institutional or industrial establishments.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service provided hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service provided by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date, must be individually metered.

CURRENT CHARACTERISTICS Standard single phase secondary service.

MONTHLY RATE TABLE

FIXED DISTRIBUTION SERVICE CHARGE \$8.45
FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS \$1.92

VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS (June through September)

\$0.06539 per kWh for all kWh

WINTER MONTHS (October through May)

\$0.04724 per kWh for all kWh

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ENERGY SUPPLY CHARGE

Refer to the Generation Supply Adjustment Procurement Class 1.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE The Transmission Service Charge shall apply

MINIMUM CHARGE The minimum charge per month will be the Fixed Distribution Service Charge

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE, NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

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COMBINED RESIDENTIAL AND COMMERCIAL SERVICE Where a portion of the service provided is used for commercial purposes, the appropriate general service rate is applicable to all service, or, at the option of the customer, the wiring may be so arranged that the residential service may be separately metered and this rate is then applicable to the residential service only.

PAYMENT TERMS. Standard

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Issued October 12, 2018

Effective January 1, 2019

PECO Energy Company

Electric Service Tariff

COMPANY OFFICE LOCATION

2301 Market Street

Philadelphia, Pennsylvania 19101

For List of Communities Served, See Page 4.

Issued October 12, 2018

Effective January 1, 2019

**ISSUED BY: M. A. Innocenzo – President & CEO
PECO Energy Distribution Company
2301 MARKET STREET
PHILADELPHIA, PA. 19101**

NOTICE

LIST OF CHANGES MADE BY THIS SUPPLEMENT

Provision for Recovery of Universal Service Fund Charge - 3rd Revised Page No. 38

Reflects annual update to USFC. F-factor paragraph updated to remove language related to 2017.

Rate R –Residence Service – 27th Revised Page No. 48

Variable Distribution Charge increase to reflect annual update to USFC.

Rate RH – Residential Heating Service – 27th Revised Page No. 49

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PECO Energy Company

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Variable Distribution Service Charge rates for electric service in Residential Rate Schedule R and RH of this Tariff shall include a credit (\$0.00171) per kWh for recovery of Universal Service Fund Cost (USFC), calculated in the manner set forth below pursuant to Section 2804 (8) of the Competition Act. The USFC rate for electric service shall be increased or decreased annually, to reflect changes in the level of Universal Service Fund costs, net of base rate recoveries, in the manner described below. (I)

COMPUTATION OF USFC.

The USFC per kWh (\$0.0000), shall be computed in accordance with the formula set forth below:

$$\text{USFC} = \frac{(C+L-E-I) + F}{(S)}$$

The USFC, so computed, shall be included in distribution rates charged to Customers for service pursuant to the rate schedules identified above. The amount of USFC, per kWh, will vary, if appropriate, based upon annual filings by the Company.

In computing the USFC, per kWh, pursuant to the formula above, the following definitions shall apply:

Reconcilable Customer Assistance Program (CAP) Costs – The difference between discounts provided to CAP customers (CAP revenue shortfalls) recovered through base rates and total CAP discounts, net of a 27% offset factor.

USFC – Universal Service Fund Charge to be included in the rate for each kWh of Variable Distribution Service Charge calculated under Rate Schedules R and R-H to recover Reconcilable CAP Costs plus certain LIURP related expenditures.

C - Cost in dollars of the Reconcilable CAP Costs for the projected period. 2017 projected costs include the one year Phase-out benefit of \$50 per qualified CAP customer. This is the result of the settlement at Docket No M-2012-2290911 which focuses on the new CAP Fixed Credit Option ("FCO") which will begin in October 2016.

L - Incremental LIURP related expenditures not included in base rates. 2017 projected costs include the incremental LIURP and De-facto heating audit spend beginning in October 2017 which is the result of the settlement at Docket No M-2012-2290911. This additional audit spend will occur for a three year period from October 2017 through September 2020.

E - The net overcollection or (undercollection) of Universal Service Fund Charges. The net overcollection or undercollection shall be determined for the most recent period, beginning with the month following the last month which was included in the previous overcollection or undercollection calculation reflected in rates. Included in the "E" factor will be Reconcilable CAP Costs, and LIURP related expenditures.

Each overcollection or undercollection statement shall also provide for refund or recovery of amounts necessary to adjust for overrecovery or underrecovery of "E" factor amounts under the previous USFC.

I - Interest on any over or under recovery balance. Interest shall be computed monthly at a 6% annual simple interest rate from the month that the overcollection or undercollection occurs to the mid-point of the recovery period.

F - Correction Factor of the In-Program Arrearage Forgiveness Program which was the result of the settlement at Appendix C of Docket No R-2015-2468981. This Correction Factor adjusts the \$2M recovery included in base rates. The \$2M was based upon the estimated Accounts Receivable balance ("A/R") of CAP customers at the time of the settlement. The Correction Factor adjusts the \$2M recovery to the final ending balance of the A/R at the time of conversion to the new CAP/FCO program. In 2018, the correction factor will return to an annual amount. The Correction Factor will be used for the period of 2016 through 2021. (C)

S - projected kWh of electric service to be billed under Rate R and Rate RH (exclusive of CAP Rider) during the projected period when rates will be in effect.

FILING WITH PENNSYLVANIA PUBLIC UTILITY COMMISSION; AUDIT; RECONCILIATION.

The Company's annual USFC filing and its annual reconciliation statement shall be submitted to the Commission 120 days prior to new rates being effective January 1 of each year, or at such time as the Commission may prescribe. The USFC mechanism is subject to annual audit review by the Bureau of Audits.

(C) Denotes Change

(I) Denotes Increase

RATE R RESIDENCE SERVICE

AVAILABILITY.

Single phase service in the entire territory of the Company to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for the domestic requirements of its members when such service is supplied through one meter. Service is also available for related farm purposes when such service is supplied through one meter in conjunction with the farmhouse domestic requirements.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date must be individually metered for their basic service supply. Centrally supplied master metered heating, cooling or water heating service may be provided if such supply will result in energy conservation.

The term "residence service" includes service to: (a) the separate dwelling unit in an apartment house or condominium, but not the halls, basement, or other portions of such building common to more than one such unit; (b) the premises occupied as the living quarters of five persons or less who unite to establish a common dwelling place for their own personal comfort and convenience on a cost sharing basis; (c) the premises owned by a church, and primarily designated or set aside for, and actually occupied and used as, the dwelling place of a priest, rabbi, pastor, rector, nun or other functioning Church Divine, and the resident associates; (d) private dwellings in which a portion of the space is used for the conduct of business by a person residing therein; (e) farm purpose uses by an individual employing the natural processes of growth for the production of grain, stock, dairy, poultry, garden truck, or other agricultural products.

The term does NOT include service to: (a) Premises institutional in character including Clubs, Fraternities, Orphanages or Homes; (b) premises defined as a rooming house or boarding house in the Municipal Code for Cities of the First Class enacted by Act of General Assembly; (c) a premises containing a residence unit but primarily devoted to a professional or other office, studio, or other gainful pursuit; (d) farms operated principally to sell, prepare, or process products produced by others, or farms using air conditioning for climatic control in conjunction with growth processes (except those customers receiving such service as of August 2, 1969); (e) electric furnaces or welding apparatus other than a transformer type "limited input" arc welder with an input not to exceed 37 1/2 amperes at 240 volts.

CURRENT CHARACTERISTICS. Standard single phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$8.45

FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS: \$1.92

VARIABLE DISTRIBUTION SERVICE CHARGE:

All kWhs \$0.06536 per kWh

(I)

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

MINIMUM CHARGE: The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE, NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

PAYMENT TERMS. Standard.

(I) Denotes Increase

PECO Energy Company

RATE R H RESIDENTIAL HEATING SERVICE

AVAILABILITY.

Single phase service to the dwelling and appurtenances of a single private family (or to a multiple dwelling unit building consisting of two to five dwelling units, whether occupied or not), for domestic requirements when such service is provided through one meter and where the dwelling is heated by specified types of electric space heating systems. The systems eligible for this rate are (a) permanently connected electric resistance heaters where such heaters supply all of the heating requirements of the dwelling, (b) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by electric resistance heaters, and (c) heat pump installations where the heat pump serves as the heating system for the dwelling and all of the supplementary heating required is supplied by non electric energy sources. All space heating installations must meet Company requirements. This rate schedule is not available for commercial, institutional or industrial establishments.

Wood, solar, wind, water, and biomass systems may be used to supply a portion of the heating requirements in conjunction with service provided hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service provided by the Company except under written agreement setting forth the conditions of such operation as provided by and in accordance with the provisions of the Auxiliary Service Rider.

Each dwelling unit connected after May 10, 1980 except those dwelling units under construction or under written contract for construction as of that date, must be individually metered.

CURRENT CHARACTERISTICS. Standard single phase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$8.45

FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS: \$1.92

VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS. (June through September)

\$0.06536 per kWh for all kWh.

(I)

WINTER MONTHS. (October through May)

\$0.04724 per kWh for all kWh

(I)

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: The Transmission Service Charge shall apply.

MINIMUM CHARGE. The minimum charge per month will be the Fixed Distribution Service Charge.

STATE TAX ADJUSTMENT CLAUSE, DISTRIBUTION SYSTEM IMPROVEMENT CHARGE (DSIC), NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE NON-BYPASSABLE TRANSMISSION CHARGE, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS, SMART METER COST RECOVERY SURCHARGE, PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS APPLY TO THIS RATE.

COMBINED RESIDENTIAL AND COMMERCIAL SERVICE. Where a portion of the service provided is used for commercial purposes, the appropriate general service rate is applicable to all service; or, at the option of the customer, the wiring may be so arranged that the residential service may be separately metered and this rate is then applicable to the residential service only.

PAYMENT TERMS. Standard.

(I) Denotes Increase

ATTACHMENT 2

PECO - Electric Calculation of USFC Rate Effective January 1, 2019

	Amount	\$/KWH	
(1) C = Projected Recoverable CAP Costs	\$ (11,563,775)	(\$0.00095)	p. 2 of 5
(2) L = Incremental LIURP expenditures ^(a)	\$ 1,700,000	\$0.00014	
(3) E = Experienced & Estimated Net Over/(Under)			
a. Over/(Under)	\$ 11,992,734	\$0.00099	p. 3 of 5
b. Interest	\$ 728,633	\$0.00006	p. 4 of 5
	<u>\$ 12,721,367</u>	<u>\$0.00105</u>	
(4) F = Correction Factor IPA ^(b)	\$ <u>1,777,812</u>	<u>\$0.00015</u>	p. 5 of 5
	\$ 1,777,812	\$0.00015	
(5) Net Recoverable (C + L - E - I) + F	\$ (20,807,331)	(\$0.00171)	
(6) S = Projected R, RH Sales for Computation Period	12,150,241,269		
(7) USFC: (5) / (6)	(\$0.00171)		

(a) LIURP and De-facto heating audit spend. This is the result of the settlement at Docket No. M-2012-2290911.

(b) The F-Factor includes the 2017 Forgiveness costs that were inadvertently omitted from the 2018 filing.

PECO - 2019 USFC Electric C-Factor Calculation

C-Factor Month	Estimated CAP	Estimated	Estimated	Shortfall	Shortfall	Shortfall
	Discounts (Shortfall)	R/RH Sales (a) (kWh)	in Base Rates (b)	o(u) Base Recovery	o(u) Base Recovery	o(u) Base Recovery @ 0.73 (b)
	(1)	(2)	(3) = (2) * \$0.0068	(4) = (1) - (3)	(5) = (4) * 0.73	
Jan-19	\$ 7,404,899	1,276,380,175	\$ 8,679,385	\$ (1,274,486)	\$ (930,375)	
Feb-19	\$ 6,996,780	1,119,519,010	\$ 7,612,729	\$ (615,949)	\$ (449,643)	
Mar-19	\$ 5,281,403	974,221,515	\$ 6,624,706	\$ (1,343,303)	\$ (980,611)	
Apr-19	\$ 4,829,249	819,467,984	\$ 5,572,382	\$ (743,133)	\$ (542,487)	
May-19	\$ 4,032,780	723,769,736	\$ 4,921,634	\$ (888,854)	\$ (648,864)	
Jun-19	\$ 4,688,717	940,998,873	\$ 6,398,792	\$ (1,710,075)	\$ (1,248,355)	
Jul-19	\$ 6,607,296	1,275,709,856	\$ 8,674,827	\$ (2,067,531)	\$ (1,509,298)	
Aug-19	\$ 6,675,548	1,290,772,842	\$ 8,777,255	\$ (2,101,707)	\$ (1,534,246)	
Sep-19	\$ 4,937,105	1,131,353,311	\$ 7,693,203	\$ (2,756,098)	\$ (2,011,951)	
Oct-19	\$ 3,907,937	819,248,287	\$ 5,570,888	\$ (1,662,951)	\$ (1,213,954)	
Nov-19	\$ 4,977,465	761,815,325	\$ 5,180,344	\$ (202,879)	\$ (148,102)	
Dec-19	\$ 6,441,674	1,016,984,355	\$ 6,915,494	\$ (473,820)	\$ (345,888)	
	\$ 66,780,853	12,150,241,269	\$ 82,621,641	\$ (15,840,788)	\$ (11,563,775)	
						Estimated Recovery C-Factor \$ (11,563,775)

- (a) Non-CAP kWh.
- (b) Per settlement factor approved at Docket No. R-2010-2161575.

PECO - 2018 USFC Electric
E-Factor
Calculation

E-Factor Period	Total CAP Discounts (Shortfall)	Billed R/RH Sales (c) (kWh)	CAP Recovered in Base Rates (d)	Base Recovery o(u) Actual (4) = (3) - (1)	Base Recovery o(u) Actual (c)	C-Factor Revenue (e) = (2) * (5) * 0.0005	L-Factor Revenue (e) = (2) * (5) * 0.0005	L-Expenditures (f) = (7) - (8)	L-Factor Recovery o(u) Recovery (9) = (7) - (8)	F-Factor Revenue (f) = (10) * (2) * (5) * 0.00011	Projected F-Factor Revenue (11)	F-Factor Recovery o(u) Recovery (12) = (10) - (11)	Total F-Factor Recovery o(u) Recovery (13) = (9) + (12)	C, L & F Factor Recovery o(u) Recovery (14)	E-Factor Rate (15) = (2) * (14)	E-Factor Revenue (16) = (13) * (15)	Cumulative Recovery o(u) (17)
Jan-17	6,634,711	1,255,844,224	8,539,741	1,905,029	1,905,029	(62,792)	62,792	62,792	62,792	(136,143)	(107,916)	(30,227)	1,360,444	50,00012	150,701	1,511,145	2,224,422
Feb-17	5,870,193	1,017,574,651	6,919,508	949,314	693,000	(50,879)	50,879	50,879	50,879	(111,933)	(107,916)	(4,018)	688,982	50,00012	122,109	811,091	3,035,513
Mar-17	5,325,603	927,766,308	6,306,811	893,208	717,742	(46,388)	46,388	46,388	46,388	(102,054)	(107,916)	5,861	682,730	50,00012	111,332	792,622	3,828,115
Apr-17	4,590,908	822,620,527	5,593,820	1,003,011	732,189	(41,131)	41,131	41,131	41,131	(90,488)	(107,916)	17,427	682,730	50,00012	98,714	781,444	4,619,559
May-17	3,968,951	719,161,123	4,892,926	1,021,345	745,582	(35,958)	35,958	35,958	35,958	(79,108)	(107,916)	26,808	682,730	50,00012	86,299	805,418	5,424,977
Jun-17	4,731,604	900,238,674	6,121,623	1,380,989	1,014,982	(45,012)	45,012	45,012	45,012	(99,026)	(107,916)	8,889	1,001,465	50,00012	108,029	1,109,493	6,534,470
Jul-17	6,558,139	1,290,371,507	8,437,965	2,252,522	1,615,141	(64,476)	64,476	64,476	64,476	(141,846)	(107,916)	(33,931)	1,568,336	50,00012	154,741	1,723,077	8,257,548
Aug-17	6,075,359	1,240,877,204	8,437,965	2,252,522	1,724,717	(62,044)	62,044	62,044	62,044	(136,496)	(107,916)	(28,581)	1,675,310	50,00012	148,905	1,824,215	10,081,763
Sep-17	5,681,725	971,344,500	6,665,143	1,933,418	1,146,995	(48,567)	48,567	48,567	48,567	(106,848)	(107,916)	1,068	1,120,319	50,00012	116,561	1,236,880	11,318,643
Oct-17	5,051,725	871,344,500	6,051,725	1,724,717	1,014,982	(45,012)	45,012	45,012	45,012	(100,214)	(107,916)	7,701	1,592,284	50,00012	109,325	1,701,608	13,020,252
Nov-17	3,926,795	711,625,437	5,245,437	1,380,989	843,948	(35,958)	35,958	35,958	35,958	(84,879)	(107,916)	23,037	929,875	50,00012	92,595	1,022,470	14,042,722
Dec-17	5,423,813	1,033,653,359	7,029,231	1,656,418	1,172,685	(51,679)	51,679	51,679	51,679	(113,692)	(107,916)	(6,772)	1,094,255	50,00012	124,028	1,218,282	15,261,004
	\$ 62,119,796	11,891,168,913	80,655,695	18,556,199	13,517,381	(892,058)	592,058	397,251	195,807	(1,394,726)	(1,294,866)	(6,743)	13,124,387		\$ 1,423,340	\$ 14,547,727	

E-Factor Period	Total CAP Discounts (Shortfall)	Billed R/RH Sales (b) (kWh)	CAP Recovered in Base Rates (c)	Base Recovery o(u) Actual (4) = (3) - (1)	Base Recovery o(u) Actual (c)	C-Factor Revenue (e) = (2) * (5) * 0.00053	L-Factor Revenue (e) = (2) * (5) * 0.00013	L-Expenditures (f) = (7) - (8)	L-Factor Recovery o(u) Recovery (9) = (7) - (8)	F-Factor Revenue (f) = (10) * (2) * (5) * 0.00055	Connection Factor F-Factor Revenue (11)	F-Factor Recovery o(u) Recovery (12) = (10) - (11)	Total F-Factor Recovery o(u) Recovery (13) = (9) + (12)	C, L & F Factor Recovery o(u) Recovery (14)	E-Factor Rate (15) = (2) * (14)	E-Factor Revenue (16) = (13) * (15)	Cumulative Recovery o(u) (17)
Jan-18	6,103,085	1,448,754,485	9,851,530	3,748,446	2,736,365	(1,202,466)	188,338	64,059	124,279	(72,438)	(53,958)	(18,480)	1,539,659	50,00104	1,538,763	1,538,763	1,538,763
Feb-18	5,064,644	1,109,803,101	7,545,301	2,480,657	1,810,880	(920,871)	144,248	94,810	49,439	(55,480)	(53,958)	(2,549)	837,825	50,00104	1,153,987	2,692,748	2,692,748
Mar-18	4,393,071	950,906,415	6,466,177	2,075,106	1,519,387	(789,254)	123,618	143,764	(20,146)	(47,545)	(53,958)	6,412	710,380	50,00104	(888,945)	1,803,803	4,496,551
Apr-18	3,843,425	906,709,178	6,165,622	2,322,197	1,695,204	(752,569)	117,872	263,509	(145,637)	(45,335)	(53,958)	8,622	805,621	50,00104	(942,978)	2,846,825	7,343,376
May-18	3,200,789	771,100,755	5,245,485	2,452,077	1,491,169	(640,014)	100,243	237,103	(136,860)	(38,555)	(53,958)	15,403	729,697	50,00104	(801,945)	3,648,870	10,992,246
Jun-18	3,963,591	943,480,553	6,415,968	2,452,077	1,790,016	(793,089)	122,652	77,009	45,643	(47,174)	(53,958)	6,784	1,059,354	50,00104	(881,220)	4,530,090	15,522,336
Jul-18	5,203,133	1,341,333,631	8,121,032	3,917,860	2,569,392	(1,084,898)	169,924	105,577	64,347	(67,067)	(53,958)	(1,388)	1,497,443	50,00104	(1,359,390)	5,889,480	21,411,816
Aug-18	4,716,523	1,331,174,455	9,051,985	4,335,463	3,184,888	(1,104,876)	173,653	120,803	45,570	(60,197)	(53,958)	(12,561)	1,779,199	50,00104	(1,394,886)	7,284,366	28,696,182
Sep-18	5,364,706	803,849,769	5,466,858	1,021,52	74,571	(630,500)	104,513	121,123	(16,610)	(22,300)	(53,958)	3,247	80,170	50,00104	(1,431,664)	9,716,050	38,412,132
Oct-18 (e)	5,098,520	760,180,306	5,169,226	70,706	51,615	(841,804)	131,849	121,123	10,728	(8,878)	(64,163)	13,067	9,827,791	50,00104	(13,196,061)	11,922,754	49,334,886
Nov-18 (e)	5,896,209	1,014,221,187	6,896,704	1,010,495	737,662	(10,531,472)	1,640,508	1,858,484	(8,878)	(834,429)	(64,163)	13,067	9,827,791	50,00104	(13,196,061)	11,922,754	61,257,640
Dec-18 (e)	5,828,155	12,848,520,480	86,281,939	28,020,794	20,455,172	(10,531,472)	1,640,508	1,858,484	(8,878)	(834,429)	(64,163)	13,067	9,827,791	50,00104	(13,196,061)	11,922,754	73,180,390
	\$ 58,281,155	12,848,520,480	86,281,939	28,020,794	20,455,172	(10,531,472)	1,640,508	1,858,484	(8,878)	(834,429)	(64,163)	13,067	9,827,791		\$ 1,423,340	\$ 14,547,727	

(a) Estimated.
 (b) Non-CAP Sales.
 (c) Per settlement factor agreed at Docket No. R-2010-2161575.
 (d) Incremental LURP and Decline hearing audit spread. Per settlement at Docket No. M-2012-2280511.
 (e) Correction factor of the In-Program Arrangement (IPA) Forgiveness program. Per settlement at Docket No. R-2015-2468981.

PECO - 2018 USFC Electric Interest Calculation

E-Factor Period	R/IR Sales (b) (kWh) (1)	C, L & F Factor O(U) Recovery (2)	Interest Rate (3)	Interest Time Factor (4)	Interest Owed/ (Interest to be Recouped) (5) = (2) * (3) * (4)	Interest Refund Rate (6)	Interest Collection/(Refund) (7) = (1) * (6)	Total Interest (8) = 5 + 7	Cumulative Interest Interest Owed/ (Interest to be Recouped) (9) = (8) + Prev (9)
Balance (a)									360,960
Jan-17	1,255,844,224	1,360,444	6%	18/12	122,440	(\$0.00002)	\$ (25,117)	97,323	\$ 458,283
Feb-17	1,017,574,651	688,982	6%	17/12	58,563	(\$0.00002)	(20,351)	38,212	\$ 496,495
Mar-17	927,766,308	681,270	6%	16/12	54,502	(\$0.00002)	(18,555)	35,946	\$ 532,441
Apr-17	822,620,527	692,730	6%	15/12	51,955	(\$0.00002)	(16,452)	35,502	\$ 567,944
May-17	719,161,123	719,119	6%	14/12	50,338	(\$0.00002)	(14,383)	35,955	\$ 603,899
Jun-17	900,238,674	1,001,465	6%	13/12	65,095	(\$0.00002)	(18,065)	47,030	\$ 650,989
Jul-17	1,289,511,507	1,568,336	6%	12/12	94,100	(\$0.00002)	(25,790)	68,310	\$ 719,299
Aug-17	1,240,877,204	1,675,310	6%	11/12	92,142	(\$0.00002)	(24,818)	67,325	\$ 786,624
Sep-17	971,344,500	1,120,319	6%	10/12	56,016	(\$0.00002)	(19,427)	36,589	\$ 823,213
Oct-17	911,039,399	1,592,284	6%	9/12	71,653	(\$0.00002)	(18,221)	53,432	\$ 876,645
Nov-17	771,625,437	929,875	6%	8/12	37,195	(\$0.00002)	(15,433)	21,762	\$ 898,407
Dec-17	1,033,563,359	1,094,255	6%	7/12	38,299	(\$0.00002)	(20,671)	17,628	\$ 916,035
	11,861,166,913	13,124,387			792,298		(237,223)	555,075	
Jan-18	1,448,754,485	1,639,699	6%	18/12	147,573	(\$0.00007)	(101,413)	46,160	\$ 962,195
Feb-18	1,109,603,101	937,825	6%	17/12	79,715	(\$0.00007)	(77,672)	2,043	\$ 964,238
Mar-18	950,908,415	710,380	6%	16/12	56,830	(\$0.00007)	(66,564)	(9,733)	\$ 954,505
Apr-18	906,709,178	805,621	6%	15/12	60,422	(\$0.00007)	(63,470)	(3,048)	\$ 951,456
May-18	771,100,755	729,697	6%	14/12	51,079	(\$0.00007)	(53,977)	(2,898)	\$ 948,558
Jun-18	943,480,553	1,059,354	6%	13/12	68,858	(\$0.00007)	(66,044)	2,814	\$ 951,373
Jul-18	1,307,105,661	1,497,443	6%	12/12	89,847	(\$0.00007)	(91,497)	(1,651)	\$ 949,722
Aug-18	1,341,332,631	1,779,199	6%	11/12	97,856	(\$0.00007)	(93,893)	3,963	\$ 953,684
Sep-18	1,331,174,455	2,039,984	6%	10/12	101,999	(\$0.00007)	(93,182)	8,817	\$ 962,501
Oct-18 (a)	803,949,769	(595,557)	6%	9/12	(26,800)	(\$0.00007)	(56,276)	(83,077)	\$ 879,425
Nov-18 (a)	760,180,306	(585,685)	6%	8/12	(23,427)	(\$0.00007)	(53,213)	(76,640)	\$ 802,785
Dec-18 (a)	1,014,221,187	(90,170)	6%	7/12	(3,156)	(\$0.00007)	(70,995)	(74,151)	\$ 728,633
	12,688,520,496	9,927,791			700,795		(888,196)	(187,401)	Net Interest \$ 728,633

(a) Estimated.

(b) Residential Non-CAP Sales.

**PECO - 2018
USFC Electric
INPA Forgiveness**

2017 Recovery	
InPA Forgiveness	
Actuals	
Jan-17 (a)	\$196,086
Feb-17	\$104,625
Mar-17	\$135,340
Apr-17	\$165,788
May-17	\$186,644
Jun-17	\$156,356
Jul-17	\$147,040
Aug-17	\$143,164
Sep-17	\$124,732
Oct-17	\$158,230
Nov-17	\$129,718
Dec-17	<u>\$130,089</u>
Total	\$1,777,812

2017 Recovery \$1,777,812

(a) Includes \$92k from November and December of 20016.

ATTACHMENT 3

PECO
BILL COMPARISON with USFC at
(\$0.00171) kWh

Residential Rate R - 700 KWH (a)

	2018 w/ Current (\$0.00187) kWh USFC Credit	2019 w/ Proposed (b) (\$0.00171) kWh USFC Credit	Difference (\$)	Difference (%)
FIXED DISTRIBUTION CHARGE	8.45	8.45		
TRANSMISSION CHARGE ALL KWH	3.72	3.72		
DISTRIBUTION CHARGE ALL KWH	45.64	45.75		
GSA	43.93	43.93		
DSIC	101.74	101.85		
STATE TAX ADJUSTMENT CLAUSE	0.36	0.36		
TOTAL	102.09	102.20	0.11	0.11%

(a) Based on PECO Electric Tariff Rates as of 10/1/18.
(b) Calculation is for demonstration purposes only.