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PECO
2301 Market Street
S15
Philadelphia, PA 19103

VIA E-FILE ONLY

May 14, 2021

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

**SUBJECT: Replacement Page - Tariff Electric – PA PUC No. 6
Supplement No. 50 Issued May 3, 2021, effective June 1, 2021,
Rate Adjustment for 2021 to its Act 129 Phase IV Energy
Efficiency & Conservation Plan, Docket No. M-2020-3020830**

Dear Secretary Chiavetta:

PECO Energy Company previously issued Electric Tariff No. 6 - Supplement No. 50 bearing an effective date of June 1, 2021. This letter transmits for filing with the Commission a replacement page to page 45 and 45A. The revision is necessary to reflect a few typographical errors.

Due to the ongoing COVID-19 pandemic, PECO's office personnel are working remotely. Accordingly, PECO will not have its usual access to photocopying and U.S. mail, among other services. PECO requests that all communications with PECO be transmitted by email.

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 or via email: rich.schlesinger@peco-energy.com.

Sincerely,

Richard G. Webster, Jr. / PAS

Enclosures

cc: P. T. Diskin, Director, Bureau of Technical Utility Services (via email service only)
R. A. Kanaskie, Director, Bureau of Investigation & Enforcement (via email service only)
K. A. Monaghan, Director, Bureau of Audits (via email service only)
K. G. Sophy, Director, Office of Special Assistants (via email service only)
L. Burger, Bureau of Audits (via email service only)
P. Irani, Bureau of Audits (via email service only)
McNees, Wallace & Nurick (via email service only)
Office of Consumer Advocate (via email service only)
Office of Small Business Advocate (via email service only)

PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS (EEPC)

Purpose: The purpose of this surcharge is to provide for full and current cost recovery of expenditures associated with the Company's Phase IV Energy Efficiency and Conservation Program Costs (EEPC). (C)

Applicability: The surcharge shall be calculated for billing purposes for all customers. The EEPC shall be charged to each rate schedule using the following units: (C)

Phase IV		(C)
Rates R, RS, RH:	\$0.00143/kWh	(D)
Rates GS:	\$0.00171/kWh	(D)
Rate SL-E, SL-C	\$0.24/location	(I)
Rate AL:	\$0.07/location	(I)
Rate TLCL:	\$0.00266/kWh	(I)
Rates HT, PD, EP:	\$0.63/kW based on PJM Peak Load Contribution (PLC)	(D)

The Variable Distribution Service charges, for the residential rate schedules shall include the above listed EEPC surcharge. For the municipal lighting rate schedules, the applicable variable or fixed distribution service charges shall include the EEPC surcharge.

For Rate GS, the EEPC shall be recovered through a separate variable distribution charge listed on customer's bills. For Rates PD, HT and EP, a PJM PLC shall be determined in accordance with PJM rules and used to calculate the EEPC. Customer's PLC will be computed to the nearest kilowatt. The EEPC shall be recovered through a separate variable distribution charge listed on customer bills.

Calculation of EEPC Surcharge and the Over/Under Recovery:

Billing Provisions: The surcharge and over/under recovery shall be calculated by rate schedule on an annual basis using the following formulas:

$$EEPC(n) = \frac{(C-E)+(SWE)}{(BU)} + \frac{(PDR)}{(1-T)} \times (1) \quad (C)$$

C – The cost of the Energy Efficiency and Conservation Program includes: all expenditures, of the individual programs such as materials, equipment, installation, custom programs, evaluation measurement/verification, educating customers about availability to the extent not included in Consumer Education cost, not recovered through any separate recovery mechanism, and any other cost associated with implementation of the programs. Costs that relate to measures that are applicable to more than one rate class or that are shown to provide system-wide benefits, will be allocated to each class based on the ratio of class-specific projected program costs to the total projected program costs. The program costs are those approved by the PAPUC and audit costs for the Phase IV program ending May 31, 2026 (C)

E - The over or (under) recovery from the applicable reconciliation period. Interest will not be applied to any over/under collections.

SWE – The cost in dollars of the PaPUC's Statewide Evaluator. These costs will be reconciled separately and added to the EEPC and will not be subject to the 2% spending limit of the EE&C Plan.

PDR – The savings/costs from the portion of projected EE Peak Demand Resources (PDR) nominated into PJM's Forward Capacity Market (FCM). The Company will apply any proceeds/deficiencies from nominated PDR to the appropriate customer classes. These costs will be reconciled separately and added to the EEPC and will not be subject to the 2% spending limit of the EE&C Plan. (C)

BU – The total Billing Units for the applicable recovery period.

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

n - The rate class for which the EEPC is being calculated: 1 = Residential, 2 = Small C&I, 3 = LC&I, 4 = Street lighting

- Residential - Rates R, RH
- Small C&I – Rate GS
- Large C&I – Rates HT, PD, EP
- Street Lighting – Rates SLE, SLC, AL, TLCL

Filings and Reconciliations: The estimated EEPC shall be filed by May 1 each year to be effective through May 31. (C)
 The first surcharge, effective June 1, 2021 will contain "C" and "E" factors calculated as follows: The "C-factor" will have two components; one including Phase III costs and the other including Phase IV costs. The Phase IV component will be set using projected costs for the 12 month period from June 1, 2021 through May 31, 2022. The Phase III component will be set using any Phase III costs from projects started prior to the end of Phase III, but not yet billed as of June 1, 2021. For the "E-factor" over/under rate will include the Phase III costs for the 10 month period from June 1, 2020 through March 31, 2021.

The second EEPC, effective June 1, 2022, will be calculated as follows: the "C-factor" will include Phase IV costs for the period June 1, 2022 through May 31, 2023 and the "E-factor" will include costs for 12 months comprising Phase III costs for the 2 months of April and May 2021 and Phase IV costs for the 10 months of June 1, 2021 through March 31, 2022. Subsequent EEPC's, effective June 1 each year will be calculated using a 12 month "C factor" for the period June 1 through May 31 and an "E factor" for the period of April 1 through March 31.

(C) Denotes Change
 (D) Denotes Decrease
 (I) Denotes Increase

A reconciliation statement filing, in accordance with C.S. Title 66 §1307(e), will be made by April 30 of each year. The last Phase III only reconciliation statement will be for the 10 month period from June 1, 2020 through March 31, 2021. Phase IV reconciliation statements will be for the 12 month period April 1 through March 31 of each plan year. The first Phase IV reconciliation statement will cover the period April 1, 2021 through March 31, 2022 and include 2 months (April and May) of Phase III revenues and expenses and 10 months of Phase IV revenues and expenses (June through March). The EEPC mechanism is subject to annual audit review by the Bureau of Audits. (C)

PECO Energy Company

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Effective June 1, 2021

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PECO Energy Company

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