



**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

C-2024-3045932
PECO Exhibit 5 ~~C-2023-3045932~~

Public Meeting held April 16, 2009

Commissioners Present:

James H. Cawley, Chairman, Statement
Tyrone J. Christy, Vice Chairman, Statement, Concurring in part
Robert F. Powelson
Kim Pizzingrilli
Wayne E. Gardner

Petition of PECO Energy Company
for Approval of Its Default Service Program
and Rate Mitigation Plan

Docket P-2008-2062739

OPINION AND ORDER

BY THE COMMISSION:

I. Introduction

Before the Pennsylvania Public Utility Commission for consideration and disposition is the Recommended Decision of Administrative Law Judge (ALJ) Marlane R. Chestnut which recommends the adoption of a Joint Petition for Settlement (Settlement or Settlement Agreement) filed or not objected to by the Parties in this

proceeding. The ALJ and the Parties submit that the proposed Settlement Agreement is in the public interest and that the proposed Settlement Agreement complies with the Commission's regulations governing the default service obligation at 52 Pa. Code §§ 54.181-54.189 (relating to default service), as required by 66 Pa.C.S. § 2807(e) (relating to the duties of electric distribution companies). The proposed Settlement is submitted as contingent on Commission approval without any waivers or other approvals to effectuate its terms.

II. History of the Present Proceeding

On September 10, 2008, PECO Energy Company (PECO) filed with the Commission a Petition (DSP Petition) requesting that the Commission approve PECO's Default Service Program and Rate Mitigation Plan to establish rates, terms and conditions for the provision of default service for the period January 1, 2011, through May 31, 2014, for those customers who do not take service from an alternative electric generation supplier (EGS) or whose contracted generation is not delivered. The DSP Program is designed to ensure that PECO's default service customers have access to a reliable supply of generation and to help them manage the transition from capped generation rates to market-priced rates that will occur on January 1, 2011.

PECO stated that the DSP Petition had been served on the Commission's Office of Trial Staff (OTS), the Office of Consumer Advocate (OCA), the Office of Small Business Advocate (OSBA), the Pennsylvania-New Jersey- Maryland Interconnection, LLC, (PJM), and all EGSs registered in PECO's service territory, and requested that the Commission publish notice of the DSP Petition in the *Pennsylvania*

Bulletin. Notice of the filing of the DSP Petition was published in the *Pennsylvania Bulletin* at 38 Pa.B. 5407 (Sept. 27, 2008).¹

After extensive discovery, hearings, and the filing of testimony and rebuttal testimony in this matter, on March 10, 2009, a Joint Petition for Settlement (Settlement Petition) was filed by PECO, OTS, OCA, OSBA, City of Philadelphia, RESA, TURN et al., Reliant, PAIEUG, Constellation, Direct Energy and Dominion Retail (the Settling Parties or Joint Petitioners). The Joint Petitioners represented in the Settlement Petition that Con Edison Solutions does not oppose the Settlement. Statements in support of the Settlement from each of the Settling Parties were filed.

On March 23, 2009, the ALJ's Recommended Decision in this case was issued, offering the following comment with respect to the proposed Settlement:

The settlement terms appear to be a fair and reasonable resolution of the various issues, and appropriately balance the interests of the company and its customers. I commend all the settling parties for arriving at a comprehensive, reasonable plan to address the many issues associated with the provision of default service and the transition to market-based pricing.

¹ Thereafter, from the period of September 29, 2008, to October 14, 2008, Petitions to Intervene, or in the case of statutory Parties Notices of Intervention, were filed by: Dominion Retail, Inc. (Dominion Retail), OSBA, OCA, OTS, Constellation New Energy, Inc. and Constellation Energy Commodities Group, Inc. (Constellation), the Philadelphia Area Industrial Energy Users Group (PAIEUG), the City of Philadelphia, the Retail Energy Supply Association (RESA), Direct Energy Services, Inc. (Direct Energy), Consolidated Energy Solutions, Inc. (Con Edison Solutions) and Reliant Energy, Inc. (Reliant). A joint Petition to Intervene was filed on October 14, 2008, by Tenant Union Representative Network (TURN), Action Alliance of Senior Citizens of Greater Philadelphia and Association of Community Organizations for Reform Now (ACORN) (TURN et al.).

Therefore, the Joint Petition should be approved without modification by the Commission as expeditiously as possible.

R.D. at 5.

III. Discussion

Pursuant to our Regulations at 52 Pa. Code § 5.231, it is the Commission's policy to promote settlements. The ALJ provides a detailed analysis of the public interest considerations of the proposed Settlement in the Recommended Decision. R.D. at 10-14. However, the Commission must review proposed settlements to determine whether the terms are in the public interest. *Pa. PUC v. Philadelphia Gas Works*, M-00031768 (January 7, 2004); *Pa. PUC v. C S Water and Sewer Assoc.*, 74 Pa. P.U.C. 767 (1991); *Pa. PUC v. Philadelphia Electric Co.*, 60 Pa. P.U.C. 1 (1985).

The ALJ found the proposed Settlement to be in the public interest based on five considerations: (1) the comprehensive procurement plan itself is in compliance with all applicable regulatory requirements and is clearly reasonable; (2) the proposed default service provisions incorporate various rate design provisions to comply with the Commission's regulations (52 Pa. Code § 54.187(c)) and Policy Statement (52 Pa. Code §69.1810) that default service rates should eliminate demand charges and declining energy blocks in order to achieve the "single rate option" identified as the Price-To-Compare (PTC); (3) the proposed DSP program directly addresses the issues relating to universal service and affordability; (4) the Settlement contains a number of measures designed to aid in the development of retail competition, in compliance with the Commission's recognition in its default service policy statement (52 Pa. Code § 69.1802) of the importance of "structuring default service in a way that encourages the entry of new retail and wholesale suppliers; and (5) the Settlement addresses the issues relating to the allocation of costs and the recovery of those costs. R.D. at 11-14.

While we agree with the ALJ's conclusion that the proposed Settlement Agreement is in the public interest, we note that the tariff contemplated by the Settlement Agreement apparently proposes to maintain the authorization to collect nuclear decommissioning costs from PECO's customers under the Nuclear Decommissioning Cost Adjustment Clause (NDCA) mechanism after December 31, 2010. Tariff Electric PA. P.U.C. No. 4, Original Page No. 35. In contrast, the mechanism for recovering stranded costs under the Competitive Transition Charge/Intangible Transition Charge is being eliminated. The issue of whether or not it would be appropriate to continue the collection of nuclear decommissioning costs from customers after the expiration of PECO's rate caps on December 31, 2010, was not addressed in this proceeding and so is not referenced in the Settlement. This is a matter of concern, and the Commission requires further information and analysis regarding the justness, reasonableness and lawfulness of continuing to collect nuclear decommissioning costs from customers after the expiration of PECO's rate caps. Thus, this approval of the Joint Petition for Settlement includes no determination regarding the justness, reasonableness and lawfulness of the continuation of the Nuclear Decommissioning Cost Adjustment Clause for future ratemaking purposes after the expiration of PECO Energy Company's rate caps on December 31, 2010.

IV. Terms of the Settlement

The Joint Petition for Settlement is a three volume document. The principal terms and conditions of the proposed Settlement, contained in Section II of the Petition, address: (1) the generation procurement plan for each DSP class (¶¶12-33); (2) the DSP implementation plan, contingency plan and independent monitor (¶¶34-41); (3) compliance with Pennsylvania's Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1 *et seq.* (AEPS) (¶¶42-45); (4) tariff changes, rate design and cost recovery (¶¶46-66); (5) universal service (¶¶67-75); and (6) retail market issues (¶¶76-79). In ¶80,

the settling Parties request a waiver of the of procurement class sizes established by the Commission at 52 Pa. Code §§ 54.187 and 69.1805 in order to separate the commercial customers into a Small Commercial class (for customers with demands less than 100 kW) and a Medium Commercial class (for customers with demands between 100 kW and 500 kW). R.D. at 6-7.

In addition, the Settlement Petition in Section IV, ¶¶83-86, provides an agreement that PECO is entitled to recover all costs incurred by it under the procurement plan and that the Parties will not challenge the recovery of those costs, as long as the procurements are made by PECO in accordance with the approved plan and there has been no fraud, collusion or market manipulation. The Parties requested expeditious consideration of the Settlement Petition by the Commission so that PECO's customers may "obtain the maximum benefit from procurement of default energy supply at current market prices." R.D. at 7.

The Settlement provides that PECO's revised default service provider program (Revised DSP Program) will have a twenty-nine-month term, beginning January 1, 2011, and ending May 31, 2013. PECO's default service customers will be divided into four procurement classes: a Residential class, a Small Commercial class (for non-residential customers with peak demand up to 100 kW), a Medium Commercial class (for non-residential customers with peak demand of greater than 100 kW up to 500 kW), and a Large Commercial and Industrial class for non-residential customers with peak demand in excess of 500 kW. R.D. at 7.

For the Residential class, seventy-five percent (75%) of the load will be served through competitively procured contracts for load-following, "full requirements" default supply service. Contracts for forty-five percent (45%) of the Residential class load will have terms of two years, and contracts for the remaining thirty percent (30%) will have terms of one year. For the other twenty-five percent (25%) of the Residential

class load (the PECO Share), PECO will competitively procure forward purchases of energy blocks and will balance the remaining load through sales and purchases of energy in PJM's competitive markets. PECO will competitively purchase all other necessary products to serve the PECO Share, including ancillary services and capacity. R.D. at 8.

For the Small Commercial class, PECO will enter into competitively procured contracts for load-following, full requirements default supply service. Approximately seventy percent (70%) of Small Commercial class customer load will be served through contracts with a term of one year, while approximately twenty percent (20%) of load will be served through contracts with a term of two years. Approximately ten percent (10%) of the Small Commercial class customer load will be served through competitively procured contracts for load-following, full requirements default supply service with the price for energy in each contract set to be the hourly price of the PJM day-ahead wholesale "spot" energy market during the term of delivery. R.D. at 8.

For the Medium Commercial class, PECO will enter into competitively procured contracts for load-following, full requirements default supply service. Approximately eighty-five percent (85%) of Medium Commercial class customer load will be served through contracts with a term of one year. Approximately fifteen percent (15%) of the Medium Commercial class customer load will be served through competitively procured contracts for load-following, full requirements default supply service with the price for energy in each contract set to be the hourly price of the PJM day-ahead wholesale "spot" energy market during the term of delivery. R.D. at 8.

For the Large Commercial and Industrial class, PECO will enter into competitively procured contracts for load-following, full requirements default supply service, with the price for energy in each contract set to be the hourly price of the PJM day-ahead wholesale "spot" energy market during the term of delivery. In addition, for

the first year of PECO's Revised DSP Program, PECO will offer Large Commercial and Industrial customers a fixed-price optional service. R.D. at 8-9.

The settling Parties have agreed on form supplier contracts and related documents to implement the Revised DSP Program, as well as procedures for the acquisition and use of alternative energy credits and contingency plans in the event of supplier default. The Parties have resolved other procurement-related issues, including a limitation that a single supplier shall provide no more than sixty-five (65%) percent of the load of a procurement class, and the appointment of NERA Economic Consulting, Inc. (NERA) as an independent monitor of PECO's procurements. In addition, the Parties agreed upon tariff and rate design changes to implement the Revised DSP Program, including a program to permit customers to defer rate increases until a future date, the phase-out of demand-based declining energy blocks, and the establishment of new interruptible service and economic development rates. R.D. at 9.

Under the terms of the Settlement, PECO will materially expand its Customer Assistance Program (CAP) and other low-income assistance initiatives. For CAP, PECO will adopt a new six-tier CAP rate design and increase the discount levels that it offers to CAP customers so that approximately ninety percent (90%) of each tier of CAP customers will meet Commission affordability targets. PECO will also implement a usage tracking system to monitor consumption by CAP customers and expand its spending under its Low-Income Usage Reduction Program (LIURP), which provides weatherization and conservation assistance to low-income customers. R.D. at 9

To facilitate and promote retail competition, PECO will update its database on customer information for release to retail suppliers, collaborate with the OCA and suppliers to develop customer education materials, and appoint a retail choice ombudsman. In addition, PECO will lead three separate collaboratives – one addressing residential customer market share threshold proposals; one addressing an alternative

customer aggregation proposal; and one addressing a direct mail referral program for residential and small commercial customers (with demand 25 kW and below) prior to PECO's next default service filing. R.D. at 9.

V. Conclusion

Based upon our review of the record in this proceeding, the supporting statements of the Parties, and the Recommended Decision of the ALJ, we find that the rates, terms and conditions contained in the Settlement Agreement, with the sole reservation relative to the Nuclear Decommissioning Cost Adjustment Clause, are just, reasonable and within the public interest and are in accord with the rules and regulations of the Commission and with the provisions of the Pennsylvania Public Utility Code; **THEREFORE,**

IT IS ORDERED:

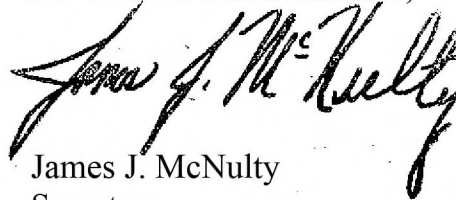
1. That the Recommended Decision of Administrative Law Judge Marlane R. Chestnut recommending approval of the Joint Petition for Settlement is adopted but without any determination regarding the justness, reasonableness and lawfulness of the continuation of the Nuclear Decommissioning Cost Adjustment Clause for future ratemaking purposes after the expiration of PECO Energy Company's rate caps on December 31, 2010.
2. That the waiver of 52 Pa. Code § 54.187 to permit the designation of four procurement classes as contained in the Revised DSP Program is granted.
3. That PECO Energy Company is directed to file a tariff and tariff supplement in substantially the same form as those attached to the Joint Petition for

Settlement as Exhibits E and H to become effective on one day's notice after entry of the Commission's final order.

4. That NERA Economic Consulting, Inc. is approved as independent evaluator pursuant to the terms of the Revised DSP Program.

5. That upon acceptance and approval of the tariff and tariff supplements filed by PECO Energy Company consistent with this Opinion and Order, this proceeding shall be marked closed.

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "James J. McNulty", written in a cursive style.

James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: April 16, 2009

ORDER ENTERED: June 2, 2009

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Jeffrey Rantz	:	
	:	
v.	:	C-2012-2293057
	:	
PECO Energy Company	:	

INITIAL DECISION GRANTING PRELIMINARY OBJECTIONS

Before
Elizabeth H. Barnes
Administrative Law Judge

HISTORY OF THE PROCEEDING

On March 8, 2012, Jeffrey Rantz (Mr. Rantz or complainant) filed a formal Complaint (Complaint) with the Pennsylvania Public Utility Commission (Commission) against PECO Energy Company (PECO or respondent), objecting to PECO taking away off peak pricing without offering him a replacement option. Complainant avers he invested over \$1,000 in having an off peak box and wiring to his appliances installed. Therefore, he is not only losing his investment in the off peak box and wiring but he is being put into financial hardship position due to much higher electric rates. As relief, he requests that PECO “extend the off peak service to him another 5 years with the same rate in place in 2011.” Complainant claims that at the end of 5 years, his investment in the off peak service will have been recovered.

On March 14, 2012, the Complaint was served on respondent. On April 3, 2012, respondent PECO timely filed an Answer, denying the material averments of the Complaint. PECO admits that its discounted Off Peak (OP) rates will be phased out by 2013. However, it stated that the phasing out of OP rates was reviewed and approved by the Commission as part of PECO’s Default Service Program and Rate Mitigation Plan (collectively, DSP program) on June 2, 2009,

Docket No. P-2008-206739. Since the Complaint does not allege PECO made a billing error or in applying the tariff rate for service, PECO contends that complainant's disagreement with the Commission's decision rendered in June 2009, would have been more appropriately addressed via a petition to rescind or amend the Commission's prior order pursuant to Section 703 of the Public Utility Code, 66 Pa.C.S. §703(g).

Also on April 3, 2012, respondent filed Preliminary Objections to the Complaint which are now ripe for a decision.

FINDINGS OF FACT

1. The complainant in this proceeding is Jeffrey Rantz, who receives residential electric heat service from respondent at 109 Robert Joseph Rd., Pottstown, PA 19465.
2. The respondent in this proceeding is PECO Energy Company.
3. By Opinion and Order entered June 2, 2009, at Docket No. P-2008-2062739, the Commission approved PECO's Default Service Plan and Rate Mitigation Plan as amended, which included the phase-out of Off Peak Rate RH and OP as part of the transition to market-based generation rates.
4. The Commission has approved PECO's Tariff Electric - Pa. PUC No. 4, which implements the DSP program.
5. Complainant, as of the date of the Complaint, receives generation through PECO's default service.

DISCUSSION

Preliminary objections are appropriate under Commission regulations. 52 Pa. Code §5.101. Commission preliminary objection practice is similar to Pennsylvania civil practice respecting the filing of preliminary objections. *Equitable Small Transportation Interveners v. Equitable Gas Company*, 1994 Pa. PUC LEXIS 69, PUC Docket No. C-000935435 (July 18, 1994).

Preliminary objections are limited to the following:

§ 5.101. Preliminary objections.

(a) *Grounds.* Preliminary objections are available to parties and may be filed in response to a pleading except motions and prior preliminary objections. Preliminary objections must be accompanied by a notice to plead, must state specifically the legal and factual grounds relied upon and be limited to the following:

- (1) Lack of Commission jurisdiction or improper service of the pleading initiating the proceeding.
- (2) Failure of a pleading to conform to this chapter or the inclusion of scandalous or impertinent matter.
- (3) Insufficient specificity of a pleading.
- (4) Legal insufficiency of a pleading.
- (5) Lack of capacity to sue, nonjoinder of a necessary party or misjoinder of a cause of action.
- (6) Pendency of a prior proceeding or agreement for alternative dispute resolution.

* * *

52 Pa. Code § 5.101(a).

When considering the preliminary objection, the Commission must determine “whether the law says with certainty, based on well-pleading factual averments . . . that no recovery or relief is possible.” *P. J. S. v. Pa. State Ethics Commission*, 669 A.2d 1105 (Pa.

Cmwlth. 1996). Any doubt must be resolved in favor of the non-moving party by refusing to sustain the preliminary objections. *Boyd v. Ward*, 802 A.2d 705 (Pa. Cmwlth. 2002).” *Dept. of Auditor General, et al. v. State Employees’ Retirement System, et al.*, 836 A.2d 1053, 1064 (Pa. Cmwlth. 2003).

The Commission must act within, and cannot exceed its jurisdiction. *City of Pittsburgh v. PUC*, 157 Pa. Super 595, 43 A.2d 348 (1945). Jurisdiction may not be conferred by the parties where none exists. *Roberts v. Martorano*, 427 Pa. 581, 235 A.2d 602(1967). A hearing is necessary only to resolve disputed questions of fact, and when the question presented is one of law, the Commission need not hold a hearing *Lehigh Valley Power Comm. v. PUC*, 128 Pa.Cmwlth. 259, 563 A.2d 548 (1989), *Edan Transportation Corp. v. PUC*, 154 Pa.Cmwlth. 21, 623 A.2d 6 (1993).

Preliminary objections in civil practice requesting dismissal of a pleading will be granted only where the right to relief is clearly warranted and free from doubt. *Interstate Traveller Services, Inc. v. Pa. Dept. of Environment Resources*, 406 A.2d 1020 (Pa. 1979); *Rivera v. Philadelphia Theological Seminary of St. Charles Borromeo, Inc.*, 595 A.2d 172 (Pa. Super 1991). The Commission follows this standard. *Montague v. Philadelphia Electric Company*, 66 Pa.PUC 24 (1988).

Clearly, there are no genuine issues as to material facts presented in this proceeding. The elimination of PECO Energy’s OP rate was approved by the Commission as part of PECO’s Default Service Program and Rate Mitigation Plan on June 2, 2009, Docket No. P-2008-2062739. The plan was previously approved by the Commission as just, reasonable and lawful.

Complainant’s dispute is not alleging that the company made any error in billing him or in applying the tariffed rate for service. Rather, he is objecting to the Commission’s decision approving the phase-out of the rate. To the extent that Mr. Rantz disagrees with the

Commission's decision, the appropriate procedure would be to file a petition for recession or amendment pursuant to Section 703 of the Public Utility Code, 66 Pa.C.S.A. § 703(g).¹

That would be a fruitless exercise, however, in light of the Competition Act. In 1996, the Pennsylvania General Assembly passed the Electricity Generation Customer Choice and Competition Act (Competition Act), 66 Pa.C.S.A. §§ 2801-2812, which allows customers to buy generation from licensed alternative suppliers by unbundling generation from transmission and distribution. The Competition Act established a transitional period, during which generation rates were capped, and further provided that electric distribution companies, such as PECO, must act as providers of default service in order to provide electric generation service to customers not served by alternative generation suppliers or whose contracted generation is not delivered. The result is that after full transition to competition, each customer pays for the electricity used, at the price it is obtained by the generation supplier (whether from an alternative supplier or through PECO's default service) and charged to that customer. The Competition Act provides that default service rates must be based on prevailing market prices, not promotional discounts or subsidies; offering reduced rates for winter heating customers would require other default service customers to subsidize the Rate OP customers to cover the difference, and therefore would violate the Public Utility Code.

As required by the Competition Act, PECO developed a default service plan, the DSP program (which included various rate mitigation measures to assist customers throughout the transition to fully market-based rates), which was fully investigated at Docket No. P-2008-2062739. The DSP program included elimination of the residential heating rate. That was one of several proposals to comply with the Commission's regulations (52 Pa. Code §54.187(c)) and Policy Statement (52 Pa. Code § 69.1810) that default service rates should eliminate demand charges and declining energy blocks in order to achieve the "single rate option" identified as the Price-To-Compare. As modified by a settlement agreement reached by the parties, the DSP program

¹ "The Commission may, at any time, after notice and after opportunity to be heard as provided in this chapter, rescind or amend any order made by it. Any order rescinding or amending a prior order shall, when served upon the person, corporation, or municipal corporation affected, and after notice thereof is given to the other parties to the proceedings, have the same effect as is herein provided for original orders." 66 Pa.C.S.A. § 703(g).

(including phase-out of Rate OP) was approved by the Commission by Opinion and Order entered June 2, 2009 (2009 DSP Order). Tariffs implementing the Commission's decision were filed by PECO and accepted by the Commission.²

The Commission reached a similar conclusion in the case of *Kupchinskis v. PECO Energy Company*, Docket No. C-2011-2253896, Final Order entered January 1, 2012, wherein there was a complaint regarding PECO's phase-out of Rate RH. In *Dunham v. PPL Electric Utilities Corporation*, Docket No. C-2010-2155056, the Commission stated:

In *Diehl v. PPL Electric Utilities Corporation*, Docket No. C-2009-2149261 (Order entered April 1, 2011) (*Diehl*), we discussed the circumstances surrounding PPL's phase out of the RTS rate schedule:

In 2004, at Docket No. R-00049255, PPL filed a distribution rate case with the Commission. The Commission's decision in that case on rate allocation among customer classes was appealed to the Commonwealth Court. As part of its review, the Commonwealth Court interpreted the Competition Act as requiring that rates for transmission, distribution and generation each be set separately, based on the cost of serving each separate class of customers. 66 Pa. C.S. § 2804(3). The Court ruled that subsidized rates (*e.g.*, the RTS rate) which do not cover their costs of service must be transitioned to cost-based rates. *See, Lloyd v. Pennsylvania Public Utility Commission, et al.*, 904 A.2d 1010 (Pa. Cmwlth. 2006). Thus, the RTS rate as it existed in the 1980s, at the time the Complainant constructed his home, could no longer continue to be offered.

Diehl at 4-5.

Dunham Opinion and Order, entered July 1, 2011, at 4.

See also, *Herting v PPL Electric Utilities Corporation*, Docket No. C-2010-2153688, Commission Final Order entered October 6, 2011; *Brickner v PPL Electric Utilities Corporation*, Docket No. C-2009-2105583, Commission Opinion and Order entered

² A tariff is a set of operating rules and rates imposed by the Commission that each public utility must follow in order to provide service to its customers. 66 Pa.C.S.A. § 102.

May 21, 2010; *Laudenslager v. Duquesne Light Company*, Docket No. C-2010-2156300, Commission Final Order entered June 29, 2011; *Sowatskey v Duquesne Light Company*, Docket No. C-2009-2144804, Commission Final Order entered January 11, 2011.

PECO's phase-out of Rate OP was approved by the Commission at Docket No. P-2008-2062739, and implemented in its tariff, Tariff Electric-Pa.P.U.C. No. 4. Tariffs have the force, and effect of law, and are binding on the public utility and its customers. *Brockway Glass v. Pennsylvania Pub. Util. Comm'n*, 437 A.2d 1067 (Pa. Cmwlth. 1982). PECO must bill customers, including Mr. Rantz, in accordance with its tariff. 66 Pa.C.S.A. § 1303.

There is no dispute that PECO's tariff complies with the applicable Commission orders and the law, and that it has committed no violation of any statute, regulation or order in applying the tariff to complainant. Therefore, there can be no basis for sustaining Mr. Rantz's Complaint.

Section 703 of the Public Utility Code, 66 Pa.C.S.A. § 703(b), provides that the Commission may dismiss any complaint without a hearing if, in its opinion, a hearing is not necessary in the public interest. See also, 52 Pa. Code § 5.21(d). A hearing is necessary only to resolve disputed questions of fact, and is not required to resolve questions of law, policy or discretion. *Dee-Dee Cab, Inc. v. Pa. Pub. Util. Comm'n*, 817 A.2d 593 (Pa. Commw. Ct. 2003), petition for allowance of appeal denied, 836 A.2d 123 (Pa. 2003). The public interest does not require a hearing in this case. As a result, PECO's right to prevail at hearing is so clear that having a hearing would be a fruitless exercise. Therefore, Respondent's Preliminary Objections shall be granted.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the parties and the subject matter in this proceeding.

2. Commission regulations provide for the filing of preliminary objections. 52 Pa. Code § 5.101.

3. The Complaint should be dismissed as legally insufficient under 52 Pa. Code § 5.101(a)(4).

4. Public utility tariffs have the force of law and are binding on both the public utility and its customers.

5. A public utility may not charge a rate other than as set forth in its tariff.

6. Subsidized rates, such as Rate OP, must be transitioned to cost-based rates, with the generation component based on competitive procurement.

7. Respondent PECO's Tariff Electric-Pa.P.U.C. No. 4 was filed in compliance with the Opinion and Order entered by the Commission on June 2, 2009, at Docket No. P-2008-2062739.

8. The Commission may dismiss a complaint without a hearing if a hearing in this matter is not necessary or in the public interest.

ORDER

THEREFORE,

IT IS ORDERED:

1. That the Preliminary Objections filed by PECO Energy Company seeking dismissal of the Complaint filed by Jeffrey Rantz at Docket No. C-2012-2293057 are granted;

2. That the Formal Complaint filed by Jeffrey Rantz at Docket No. C-2012-2293057 is dismissed;

3. That the record in this proceeding be marked closed.

Date: April 27, 2012

Elizabeth H. Barnes



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

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PECO
2301 Market Street, S15
Philadelphia, PA 19103

November 30, 2012

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

SUBJECT: Housekeeping Filing - PECO Energy Company (PECO)'s Default Service Program (DSP) and Rate Mitigation Joint Settlement at Docket No. P-2008-2062739, PECO Tariff Electric No. 4, Supplement No. 57 Effective January 29, 2013

Dear Secretary Chiavetta:

Pursuant to Commission Opinion and Order at Docket No. P-2008-2062739, PECO is submitting Supplement No. 57 to Tariff Electric PA. P.U.C. No. 4 with an effective date of January 29, 2013.

This "Housekeeping" supplement contains revisions to implement the required tariff changes in accordance with PECO's 2011-2013 DSP Joint Settlement. These revisions include:

- Removing Rate OP – Off-Peak Service and the references to Rate OP throughout the tariff.
- Moving the Fixed Distribution Charge for Rate OP to Rates R – Residential Service and RH – Residential Heating Service as Rate OP customers will now take service under Rate R or Rate RH.
- Removing the expired reference to the heating provisions in Rate GS – General Service.

In addition, this filing contains additional "Housekeeping" changes to remove expiring tariff provisions from Docket No. R-2010-2161575. These changes include:

- Removing reference to outdated pricing from the Variable Distribution Service Charge (VDC) of Rate HT – High - Tension Power.
- Removing reference to outdated pricing from the VDC of the Auxiliary Service Rider.

Rosemary Chiavetta, Secretary
November 30, 2012
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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.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Webster, Jr.", with a long horizontal flourish extending to the right.

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
M. C. Lesney, Director, Bureau of Audits
J. E. Simms, Director, Bureau of Investigation & Enforcement
Office of Consumer Advocate
Office of Small Business Advocate
McNees, Wallace & Nurick

Enclosures

LIST OF CHANGES MADE BY THIS SUPPLEMENT

DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS – 2nd Revised Page No. 6

Deleted reference to Rate OP in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739.

RULES AND REGULATIONS – 5th Revised Page No. 24

Deleted references to Rate OP in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739.

TRANSMISSION SERVICE CHARGE – 5th Revised Page No. 40A

Deleted references to Rate OP in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739 .

SMART METER COST RECOVERY SURCHARGE – 4TH Revised Page No. 40B

Deleted reference to Rate OP in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739.

PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM COSTS - 3rd Revised Page No. 40C

Deleted reference to Rate OP in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739.

PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC) - 1st Revised Page No. 40D

Deleted reference to Rate OP in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739.

RATE R RESIDENCE SERVICE - 8th Revised Page No. 41

Added reference to Fixed Distribution Service Charge for former Rate Off-Peak Meters in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739.

RATE R-H RESIDENTIAL HEATING SERVICE – 8th Revised Page No. 43

Added reference to Fixed Distribution Service Charge for former Rate Off-Peak Meters in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739.

RATE OP OFF-PEAK SERVICE- 4th Revised Page No. 46

Deleted Rate in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739.

RATE GS GENERAL SERVICE – 7th Revised Page No. 47, 3rd Revised Page No. 48, 2nd Revised Page No. 49

Deleted reference to Heating Modification and reference to Rate OP. Moved contents to page 48 and deleted page 49 for continuity.

RATE HT HIGH-TENSION POWER – 7th Revised Page No. 51

Deleted expired pricing and outdated references to Variable Distribution Service discounts per Docket No. R-2010-2161575.

APPLICABILITY INDEX OF RIDERS – 3rd Revised Page No. 65

Deleted Rate OP Column in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739.

AUXILIARY SERVICE RIDER – 2nd Revised Page No. 67

Deleted outdated references to Variable Distribution Service discounts per Docket No. R-2010-2161575.

RESIDENTIAL DIRECT LOAD CONTROL PROGRAM RIDER – 1st Revised Page No. 83A

Deleted reference to Rate OP in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739.

VOLUNTARY MARKET RATE PHASE IN RIDER - 1st Revised Page No. 87A

Deleted references to Rate OP in accordance with PECO's Default Service Provider Joint Settlement at Docket No. P-2008-2062739 .

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DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

a.c. - alternating current Advanced Meter - Advanced Meter shall have the meaning set forth in the Electric Generation Supplier Coordination Tariff.

Advanced Meter Services - Advanced Meter Services shall have the meaning set forth in the Electric Generation Supplier Coordination Tariff.

Advanced Meter Service Provider or AMSP - The Company or an EGS that provides Advanced Meter Services.

AEPS – Alternative Energy Portfolio Standard – statute that requires electric distribution companies and electric generation suppliers to acquire a certain percentage of their energy from alternative energy sources.

available rate - A rate which may be obtained by a customer if the use of service conforms to the character of service contemplated in the rate, and the location is such that this service can be supplied from existing facilities of the Company.

Bad credit - A customer shall be deemed by the Company to have bad credit if the customer has been delinquent on payment of two consecutive bills or three or more bills in the last twelve billing cycles or tendered two or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. §3502, within the last twelve billing cycles. Industrial and commercial customers also shall be deemed by the Company to have bad credit if the customer is insolvent, (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data, liabilities exceeding assets or generally failing to pay debts as they become due) or has a class of publicly-traded debt outstanding that is rated to be below investment grade, or tendered two or more checks that are subsequently dishonored by a payee according to 13 Pa.C.S. §3502, within the last twelve billing cycles.

Base Rate (or rate) - The Base Rates are Rates R, R-H, RS-2, GS, PD, HT, POL, SL-S, SL-E, TLCL, EP, and AL

(C)

Billing demand - The calculated or measured demand after correction, if any, for power factor; except that the billing demand may be limited to a minimum figure.

Btu - British thermal unit.

Capacity charge - A charge based upon demand, either with or without power factor correction.

Competition Act - The Electricity Generation Customer Choice and Competition Act, 66 Pa.C.S. §2801, et seq.

Competitive Energy Supply - unbundled energy and capacity provided by an Electric Generation Supplier.

Consolidated EDC Billing - Billing provided by the Company as provided for in the Electric Generation Supplier Coordination Tariff.

Consolidated EGS Billing - Billing provided by an EGS as provided for in Electric Generation Supplier Coordination Tariff.

Continuous service – Service which the Company endeavors to keep available at all times.

Creditworthy - A creditworthy customer pays the Company's charges as and when due and otherwise complies with the Rules and Regulations of this Tariff or the PaPUC. To determine whether a customer is creditworthy with respect to a particular account, the Company will evaluate the customer's record of paying Company charges for all of the customer's other Company accounts, and may also take into consideration the customer's general credit.

Customer - Any person, partnership, association, or corporation, lawfully receiving service at a single meter location from the Company. For purposes of billing for an Electric Generation Supplier (as defined below), the term customer may include all meter locations for which a summary bill is provided. In addition, unless explicitly prohibited by the Public Utility Code or the Commission's Rules and Regulations, an EGS may act as agent for an end use customer upon written authorization to PECO Energy which may be part of the notice of EGS selection.

Customer's service extension - The facilities extending from the customer's service-receiving equipment to the Company's service supply lines.

Default Service (DS) - The provision of energy or energy and capacity by PECO Energy as Default Service Provider to customers that are: (1) not eligible to obtain Competitive Energy Supply, (2) choose not to obtain Competitive Energy Supply, (3) return to default service after having obtained Competitive Energy Supply or Competitive Default Service, or (4) who contract for Competitive Energy Supply from an EGS (as defined below) that fails to deliver such energy or energy and capacity.

Default Service Provider (DSP) – The incumbent EDC within a certificated service territory or a Commission approved alternative supplier of electric generation.

Demand - The maximum rate-of-use of energy during a specified time interval, expressed in kilowatts.

(C) Denotes Change

RULES AND REGULATIONS (continued)
17. BILLING AND STANDARD PAYMENT OPTIONS

BILLING PERIOD. Billing for service will be based upon the amount of use and the time interval of its delivery. The customer will be billed in accordance with rule 14.7. Rate values stated for direct application to monthly billing periods will be adjusted when time elapsed between readings is substantially greater or less than a month.

17.2 BILLING OPTIONS. A customer may select one of the following three billing options: (1) Consolidated EDC Billing; (2) Consolidated EGS Billing; and (3) Separate EDC/EGS Billing, as those terms are defined herein. If a customer does not make a selection, the customer shall receive Consolidated EDC Billing. When the Company provides Consolidated EDC Billing or Separate EDC Billing, it will comply with the terms and conditions of the Electric Generation Supplier Coordination Tariff.

17.3 PAYMENT.

(a) The Company's bills to customers are payable upon presentation. Payment for service received must be made on or before the due date shown on the bill. The due date shall be determined by the Company and shall be not less than twenty days from the date of transmittal of the bill for Rates R, R-H, RS-2, POL and GS (excluding Summary Billing Accounts). The due date shall be not less than 15 days from the date of transmittal of the bill for all other rates, including Summary Billing Accounts. Notwithstanding the foregoing, the due date may be up to thirty days for accounts (including Summary Billing Accounts) with the United States of America, the Commonwealth of Pennsylvania, or any of their departments, political subdivisions, or instrumentalities. The Company may allow a reasonable amount of additional time for payment of bills on industrial and commercial accounts of creditworthy customers. If the due date that appears on a customer's bill falls on a Saturday, Sunday, bank holiday, or any other day when the offices of the Company which regularly receive payments are not open to the general public, the due date shall be extended to the next business day. The payment period will not be extended because of the customer's failure to receive a bill unless said failure is due to the fault of the Company.

(C)

(b) Payment may be made at any commercial office of the Company or at any authorized payment agency. The customer bears the risk of delivery of payment tendered on or after the date contained in any termination notice sent to the customer.

(c) The Company may require that a customer that is not creditworthy tender payment by means of a certified, cashier's, teller's, or bank check, or by wire transfer, or in cash or other immediately available funds.

(d) A customer must pay the undisputed portion of disputed bills under investigation. The Company will apply this rule to the disputed portion of disputed bills, if, and only if: (1) the Company has made diligent and reasonable efforts to investigate and resolve the dispute; (2) the result of the investigation is that the Company determines that the customer's claims are unwarranted or invalid; (3) the Commission and/or the Bureau of Consumer Services has decided a formal or informal complaint in the Company's favor and no timely appeal is filed, and (4) the customer nevertheless continues to dispute the same manner in bad faith.

17.4 PAYMENT PROCESSING. When the Company is providing Consolidated EDC Billing, Default Service or Separate EDC Billing, and the customer remits a partial payment to the Company, the payment will be applied as follows:

1. Any past due balances including those for prior PECO basic service charges, for prior EGS receivables purchased by the Company, for prior installment amounts on payment agreements, and also for any reconnection charges.
2. Any current charges including those for PECO basic service charges, for current EGS receivables purchased by the Company, and for current installment amounts on payment agreements.
3. Non-basic service charges.

17.5 LATE FEES AND COLLECTION COSTS. If payment is made at a Company office or authorized payment agency after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. If payment is made by mail, the late fee will be added if the payment is received by the Company more than five days after the due date shown on the bill. For Rates R, R-H, RS-2, OP, POL and GS this late fee will be 1-1/2 % per month; for all other rates the late fee will be 2% per month. If the Company files suit to collect a delinquent balance on an account (whether active or inactive) or to ensure payment of current bills, the customer will be required to pay the Company's out of pocket court costs (including filing, service, and witness fees) as ordered by the court and such costs will be added to commercial and industrial accounts.

17.6 BUDGET BILLING.

(a) At the option of a customer receiving residential service under Rates R, R-H, RS-2, POL and GS, an estimated total bill for all service to be received by the customer over a twelve-month period may be budgeted over the period and an average bill rendered monthly for payment each month. Any difference between the budgeted amounts so paid and the actual charges for a twelve-month budget period will at the customer's option, either be amortized over the next twelve months or incorporated into the 12th month bill. Absent an indication of preference from the customer, the debit or credit will be amortized. Budget billing may be discontinued upon the customer's request at which time any difference between budget billing amounts and actual charges becomes due and payable. If a monthly budget bill is not paid, a late fee will be added to the unpaid balance of actual charges on the next billing date in accordance with Rule 17.3 and 17.5. Any such late fee will be calculated based on the lesser of budget billing arrears and actual charged arrears. The Company may also arrange budget billing for creditworthy commercial and industrial customers.

(C)

(b) When the Company provides Consolidated EDC Billing, the EGS's charges will be included in the customer's Budget Billing Plan.

(C) Denotes Change

TRANSMISSION SERVICE CHARGE

Purpose: The purpose of this surcharge is to provide for full and current cost recovery of all transmission service related costs incurred under the PJM open access transmission tariff on behalf of the Company's default service load.

Applicability: The surcharge shall be assessed to all default service customers. The cost shall be allocated to each rate class based upon the coincident peak used by PJM to establish the network service obligation.

Billing Provisions: The surcharge shall be calculated on an annual basis using the formula below:

$TSC(n) = (C+E+I)/S(n)$ where;

TSC(n) = transmission service cost for customer class n including over or under recovery and associated interest.

C – the transmission service charges incurred by PECO under the PJM open access transmission tariff. These costs shall include the following:

Charges assessed by PJM for network service within the PECO zone. Included in such charges are costs assigned to the load serving entities in the PECO zone under the Regional Transmission Expansion Plan as well as the base network service charge for the zone as well as any load serving entity charges assessed to PECO under the PJM OATT that are listed in PECO's Supply Master Agreement Exhibit D as the responsibility of the Buyer. Included in the cost to be recovered is a working capital (WC) component as defined below.

WC – cost for working capital associated with the purchase of transmission service from PJM at a rate of \$356 per mW. WC is a component of the 'C' factor

E – The estimated over or under recovery from the applicable reconciliation period.

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.

n – rate class where: 1 = residential, 1a = RH, 2 = small C&I, 3 = large C&I, 4 = street lighting

Residential – Rates R, RH, (reconciled as a group)

Small C&I – Rate GS,

Large C&I – Rates HT, PD, EP (reconciled as a group)

Street Lighting – SLE, SLS, POL, AL, TLCL (reconciled as a group)

(C)

S – Estimated default service sales for residential class and the street lighting class in the applicable application period. For the commercial and industrial class it shall be the estimated billed demand for the applicable application period. The application period will be the period when rates will be in effect.

Filings and Reconciliations: The surcharge shall be filed August 1, 2012 effective October 1, 2012. If it is apparent that such methodology would result in a significant over or under recovery before May 31, 2013 for an individual customer class, the Company may propose a rate adjustment prior to May 31, 2013.

For subsequent surcharges the Company shall submit filings 15 days prior to the start of the application period beginning June 1, 2013. There will be an eight month reconciliation made for the June 1, 2013 filing. Thereafter, the Company will file a surcharge adjustment 15 days prior to June 1 and December 1 of each year. If it is apparent that such methodology would result in a significant over or under recovery before the next 6 month filing for an individual customer class, the Company may propose a rate adjustment 15 days prior to the next effective GSA rate adjustment date (Effective date of March 1, September 1). The annual reconciliation statement will be made by December 31 each year.

Current Transmission Service Rate:

Residential

R= \$0.0096 per kilowatthour

RH= \$0.0096 per kilowatthour

Small C&I = \$3.21 per billed kW

Large C&I = \$2.06 per billed kW

Street Lighting = \$0.0015 per kilowatt hour

(C)

(C) Denotes Change

SMART METER COST RECOVERY SURCHARGE (SMCRS)

Purpose: The purpose of this surcharge is to provide for full and current cost recovery of all incremental costs associated with the Company's PaPUC-approved Smart Meter Program.

Applicability: The surcharge shall be a per-customer charge calculated to the nearest one cent, which shall be added to the fixed distribution rates for billing purposes for all commercial and industrial customers with metered service. The surcharge shall be on a cents per kWh basis for residential customers, included in the variable distribution rates, calculated to the nearest one hundredth of a cent. The rate shall be calculated separately for each customer class (residential, small commercial and industrial, and large commercial and industrial).

Billing Provisions: The surcharge shall be calculated on a quarterly basis using the following formula:

SM(n) = (C+E+I)/R(n) where;

C – the incremental cost of the Company's Smart Meter Program. These costs shall include the following:

Capital and expense items relating to all plan elements, equipment and facilities, as well as incremental administrative costs and the cost of the Company's customer acceptance program and the cost upon approval by the Commission of acquiring a grant under the American Reinvestment and Recovery Act of 2009 as well as the cost of complying with the rules necessary to receive the grant. Specifically, these costs shall include, but are not limited to, the capital costs of capital expenditures for any equipment, software and facilities required to implement the Smart Meter Program, including depreciation, a return on the un-depreciated investment, and taxes, as well as operating and maintenance expenses. The rate of return to be used in calculating capital costs shall be at the Company's weighted average cost of capital. Consistent with the settlement in PECO's base rate case at Docket No. R-2010-2161575, the first surcharge filing shall use a return on equity of 10.0%. However, if at any time in the future, PECO's last litigated case is more than three years old, the quarterly rate of return for the electric utility barometer group from the Report on Quarterly Earnings of Jurisdictional Utilities prepared by the Commission's Bureau of Fixed Utility Services shall be used until a rate of return is determined in a subsequent litigated case, to be effective for the subsequent three-year period. The capital structure and the cost of debt and preferred stock shall be as filed in the Company's most recent quarterly earnings report. Administrative costs shall include incremental costs related to plan development and approval, cost analysis, measurement and verification, reporting, testing, upgrades, maintenance and personnel training plus any other incremental cost necessary to implement the PaPUC-approved Smart Meter Program. Costs recoverable under this surcharge shall also include cost, whether capital or expense that is stranded due to the implementation of the approved Smart Meter Program. Any reductions in operating expenses or avoided capital expenditures due to the Smart Meter Program will be deducted from the incremental costs of the Smart Meter Program to derive the net incremental cost of the Program that is recoverable. Such reductions shall include any reductions in the Company's current meter and meter reading costs.

SM(n) = smart meter cost for customer class "n" including over or under recovery and associated interest.

E – The estimated over or under recovery from the prior year. The reconciliation period shall be the 12 months ended June 30.

I – Interest on any over or under recovery balance. Interest shall be a rate of 6% and shall be calculated from the month of over or under collection to the mid-point of the recovery period.

n – rate class where: 1 = residential, 2 = small C&I, 3 = large C&I

Residential – Rates R and RH = 0.28¢/kWh

Small C&I – Rate GS = \$2.16/Fixed Distribution Charge

Large C&I – Rates HT, PD, EP = \$2.15/Fixed Distribution Charge

(C)

R – The total delivery service customers for the commercial and industrial rate class for the application period where the application period shall be as defined in the filing schedule. In the case of the residential class it shall represent delivered sales for the application period.

Filing Schedule: The estimated surcharge shall be filed 15 days prior to the start of the application period. Quarterly rates shall be effective on the first full billing cycle starting after January 29, April 1, July 1 and October 1. The quarterly rates will only be updated if the rate changes by more than 5%. The reconciliation filing shall be made on August 1 of each year. The resultant over or under recovery shall be included in the Smart Meter surcharge commencing on January 29 following the reconciliation filing.

(C) Denotes Change

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 Energy Efficiency and Conservation Program Costs (EEPC) as approved at Docket No.M-2009-2093215.

Applicability: The surcharge shall be calculated to the nearest one-hundredth of a cent for billing purposes for all customers. The EEPC shall be charged to each rate schedule using the following units:

Rates R, RS, RH, CAP:	0.34 ¢/kWh	(C)
Rates GS:	0.27¢/kWh	
Rates POL:	average of \$0.36/lamp actual surcharge varies with lamp type/size.	
Rate, SL-S	average of \$0.53/lamp actual surcharge varies with lamp type/size	
Rate SL-E	\$0.46/location outside of the City of Philadelphia; \$0.63/location within the City of Philadelphia	
Rate AL	\$0.17/location	
Rate TLCL	\$0.009/kWh	
Rates HT, PD, EP:	\$0.91/kW based on PJM Peak Load Contribution	

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 Peak Load Contribution (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:

Billing Provisions: The surcharge shall be calculated by rate schedule using the following formula:

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

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. Any direct load control benefits to the Company from the programs shall be credited against the cost. The program costs are those approved by the PAPUC and audit costs for the program ending May 31, 2013.

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.

BU – The total Billing Units for the applicable recovery period commencing on January 29, 2010 and ending May 31, 2013.

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

Filings and Reconciliations: A reconciliation filing will be made by June 30 of each year although the rates will not be adjusted until May 31, 2013 of the final plan year, at which time any under or over recoveries will be reflected in rates in effect through December 31, 2013. If it is apparent that such methodology would result in a significant over or under recovery at May 31, 2013 for an individual customer class the Company will propose a rate adjustment prior to May 31, 2013. Interest will not be applied to any over or undercollections.

(C) Denotes Change

PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT (TARC)

Purpose: The purpose of this credit is to provide customers a bill credit for the tax benefits gained as a result of a change in the method of tax accounting for certain expenditures. The Tax Accounting Repair Credit is as proposed in the Settlement at Docket No. R-2010-2161575 in Section II E(2).

Applicability: The credit shall be calculated to the nearest one-hundredth of a cent for billing purposes for all customers, except for customers on Rates SLE, SLS, POL, TLCL and AL where it shall be the nearest one cent. The TARC shall be credited to each rate schedule as follows:

Rate R	(\$0.0009)/kWh
Rate RH	(\$0.0009)/kWh
Rate GS	(\$0.0006)/kWh
Rate POL	(\$0.24)/lamp
Rate SL-S	(\$2.88)/lamp
Rate SL-E	(\$0.2400)/location outside of the City of Philadelphia; (\$0.2400)/location within the City of Philadelphia
Rate AL	(\$0.2400)/location
Rate TLCL	(\$0.2400)/location
Rates HT, PD, EP	(\$0.0002)/kWh

(C)

The Variable Distribution Service charges, for the above rate schedules shall include the above listed TARC credits. For the lighting rate schedules, the applicable location or fixed distribution service charges shall include the TARC credit.

Calculation of TARC Credit:

Billing Provisions: The credit shall be calculated by rate schedule using the following formula:

$$\text{TARC} = \frac{(R)_n \times (1)}{\text{BU} (1-T)} \text{ where:}$$

R_n – The amount accrued as a result of a change in the tax accounting method for electric system repairs for rate class n divided by 7.

BU_n – The total annual Billing Units for the rate class.

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

Filings and Reconciliations: One year prior to the scheduled expiration of the credit the Company will evaluate whether a change in the credit is required in order to avoid a significant over or under recovery at the end of the rate credit period. If a base rate case has not been filed prior to the expiration of the credit, a final reconciliation filing will be made on or before January 31, 2019, at which time any under or over recoveries will be reflected in rates in effect from April 1, 2019 to June 30, 2019. If it is apparent that such methodology would result in a significant over or under recovery at December 31, 2018 for an individual rate class the Company will propose a revised rate credit to become effective April 1, 2018. Interest will not be applied to any over or undercollections. If the amount to be credited to customers is modified based upon the results of an IRS audit of the accounting change, the Company shall modify the credit accordingly through a filing with the Commission. Such filing shall be made 60 days prior to the effective date. Additionally, if the value of the credit has been reduced due to a State Net Operating Loss (NOL), a filing shall be made to increase the credit when the NOL has been used by the Company.

(C) Denotes Change

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: \$7.17

FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS: \$1.75

(C)

VARIABLE DISTRIBUTION SERVICE CHARGE:

All kWhs 6.00¢ per kWh

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1.

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: per the Transmission Service Charge.

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

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND CHARGE, Transmission Service 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.

(C) Denotes Change

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 and/or by electric energy sources served on Rate O-P Off-Peak Service. 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: \$7.17

FIXED DISTRIBUTION SERVICE CHARGE FOR FORMER OFF-PEAK METERS: \$1.75

(C)

VARIABLE DISTRIBUTION SERVICE CHARGE:

SUMMER MONTHS. (June through September)

6.00¢ per kWh for all kWh.

WINTER MONTHS. (October through May)

4.06¢ per kWh for all kWh

ENERGY SUPPLY CHARGE:

Refer to the Generation Supply Adjustment Procurement Class 1

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: per the Transmission Service Charge

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

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT, UNIVERSAL SERVICE FUND 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.

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RATE-GS GENERAL SERVICE

AVAILABILITY.

Service through a single metering installation for offices, professional, commercial or industrial establishments, governmental agencies, and other applications outside the scope of the Residence Service rate schedules. For service configurations that are nominally 120/208 volts, 3 phase, 4 wires and the service capacity exceeds 750 kVa for transformers located either inside or outside the building, the only rate option available to the customer will be Rate HT. For service configurations that are nominally 277/480 volts, 3 phase, 4 wires and capacity exceeds either 750 kVa for transformers located inside the building or 1,500 kVa for transformers located outside the building, the only rate option available to the customer will be Rate HT,

CURRENT CHARACTERISTICS.

Standard single-phase or polyphase secondary service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE:

- \$ 13.09 for single-phase service without demand measurement, or
- \$ 16.39 for single-phase service with demand measurement, or
- \$ 40.09 for polyphase service.

VARIABLE DISTRIBUTION SERVICE CHARGE:

- \$4.96 per kW of billed demand
- 0.43¢ per kWh for all kWh

ENERGY EFFICIENCY CHARGE: 0.27¢ per kWh

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2, 3 or 4

TRANSMISSION SERVICE FOR CUSTOMERS RECEIVING DEFAULT SERVICE: per the Transmission Service Charge

STATE TAX ADJUSTMENT CLAUSE, NUCLEAR DECOMMISSIONING COST ADJUSTMENT 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.

DETERMINATION OF DEMAND.

The billing demand will be measured where consumption exceeds 1,100 kilowatt-hours per month for three consecutive months; or where load tests indicate a demand of five or more kilowatts; or where the heating modification is applied; or where the customer requests demand measurement. Measured demands will be determined to the nearest 0.1 of a kilowatt but will not be less than 1.2 kilowatts, and will be adjusted for power factor in accordance with the Rules and Regulations.

For those customers with demand measurement the billing demand will not be less than the minimum value stated in the contract for service. If a measured demand customer has less than 1,100 monthly kilowatt-hours of use, the monthly billing demand will be the measured demand or the metered monthly kilowatt-hours divided by 175 hours, whichever is less, but not less than 1.2 kilowatts.

For those customers without demand measurement, the monthly billing demand will be computed by dividing the metered monthly kilowatt-hours by 175 hours. The computed demand will be determined to the nearest 0.1 of a kilowatt, but will not be less than 1.2 kilowatts.

MINIMUM CHARGE

The monthly minimum charge for customers without demand measurement will be the Fixed Distribution Service Charge. The monthly minimum charge for customers with demand measurement will be the Fixed Distribution Service Charge, plus a charge of \$4.96 per KW of billing demand. In addition to the above, for customers in Procurement Class 4 charges will be assessed on PJM's reliability pricing model.

(C)

(C) Denotes Change

RATE-GS GENERAL SERVICE (continued)

SPECIAL PROVISION.

In accordance with Section 1511, Title 66 Public Utilities, a volunteer fire company, non-profit rescue squad, non-profit ambulance service or a non-profit senior citizen center meeting the requirements set forth below, may, upon application, elect to have its electric service billed at any of the following rate schedules: Rate R Residential Service or Rate R-H Residential Heating Service, as appropriate for the application. The execution of an electric service contract for a minimum term of one year at the chosen rate will be required of any entity electing service pursuant to the options provided by this provision. (C)

For the purposes of this provision, the following words and terms shall have the following meanings, unless the context clearly indicates otherwise:

VOLUNTEER FIRE COMPANY - a separately metered service location consisting of a building, sirens, a garage for housing vehicular fire fighting equipment, or a facility certified by the Pennsylvania Emergency Management Agency (PEMA) for fire fighter training. The use of electric service at this location shall be to support the activities of the volunteer fire company. Any fund raising activities at this service location must be used solely to support volunteer fire fighting operations.

The customer of record at this service location must be a predominantly volunteer fire company recognized by the local municipality or PEMA as a provider of fire fighting services.

NON-PROFIT SENIOR CITIZEN CENTER - a separately metered service location consisting of a facility for the use of senior citizens coming together as individuals or groups and where access to a wide range of services to senior citizens is provided. The customer of record at this service location must be an organization recognized by the Internal Revenue Service (IRS) or the Commonwealth as a non-profit entity and recognized by the Pennsylvania Department of Aging as an operator of a senior citizen center.

NON-PROFIT RESCUE SQUAD – a separately metered service location consisting of a building, sirens, a garage for housing vehicular rescue equipment; and qualified by the Commonwealth as a non-profit entity; and a facility recognized by the Pennsylvania Emergency Management Agency (PEMA) or the Pennsylvania Department of Health as a provider of rescue services. The use of electric service at this location shall be to support the activities of the non-profit rescue squad. Any fund raising activities at this service location must be used solely to support the non-profit rescue squad operations.

NON-PROFIT AMBULANCE SERVICE – a separately metered service location consisting of a building, sirens, a garage for housing vehicular rescue equipment; and qualified by the Commonwealth as a non-profit entity; and a facility licensed by the Pennsylvania Department of Health as a provider of ambulance services. The use of electric service at this location shall be to support the activities of the non-profit ambulance service. Any fund raising activities at this service location must be used solely to support the non-profit ambulance service operations.

TERM OF CONTRACT. The initial contract term shall be for at least one year.

PAYMENT TERMS. Standard.

(C) Denotes Change

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PECO Energy Company

RATE-HT HIGH-TENSION POWER

AVAILABILITY.

Untransformed service from the Company's standard high-tension lines, where the customer installs, owns, and maintains, any transforming, switching and other receiving equipment required.

CURRENT CHARACTERISTICS.

Standard high-tension service.

MONTHLY RATE TABLE.

FIXED DISTRIBUTION SERVICE CHARGE: \$297.45

VARIABLE DISTRIBUTION SERVICE CHARGE:

\$3.55 per kW of billing demand

0.17¢ per kWh for all kWh

(C)

ENERGY SUPPLY CHARGE: Refer to the Generation Supply Adjustment Procurement Class 2, 3 or 4

ENERGY EFFICIENCY CHARGE: \$0.91 per kW of Peak Load Contribution

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

HIGH VOLTAGE DISTRIBUTION DISCOUNT:

For customers supplied at 33,000 volts: 14¢ per kW of measured demand.

For customers supplied at 69,000 volts: 45¢ per kW for first 10,000 kW of measured demand.

For customers supplied over 69,000 volts: 45¢ per kW for first 100,000 kW of measured demand.

STATE TAX ADJUSTMENT CLAUSE, PROVISION FOR THE RECOVERY OF CONSUMER EDUCATION PLAN COSTS, PROVISION FOR THE RECOVERY OF ENERGY EFFICIENCY AND CONSERVATION PROGRAM, SMART METER COST RECOVERY SURCHARGE PROVISION FOR THE TAX ACCOUNTING REPAIR CREDIT AND NUCLEAR DECOMMISSIONING COST ADJUSTMENT APPLY TO THIS RATE.

DETERMINATION OF BILLING DEMAND.

The billing demand will be computed to the nearest kilowatt and will never be less than the measured demand, adjusted for power factor in accordance with the Rules and Regulations, nor less than 25 kilowatts. Additionally, the billing demand will not be less than 40% of the maximum demand specified in the contract. The 25 kW minimum shall apply to the Energy Supply Charge and the Transmission Supply Charge.

DELIVERY POINTS.

Where the load of a customer located on single or contiguous premises becomes greater than the capacity of the standard circuit or circuits established by the Company to supply the customer, an additional separate delivery point may be established for such premises upon the written request of the customer with billing continued as if the service were being delivered and metered at a single point, provided such multi-point delivery is not advantageous to the Company.

MINIMUM CHARGE.

The monthly minimum charge shall be the Fixed Distribution Service Charge, plus the charge per kW component of the Variable Distribution Service Charge, and modify less the high voltage discount where applicable plus in the case of Procurement Class 4 customers, charges assessed on PJM's reliability pricing model.

TERM OF CONTRACT.

The initial contract term shall be for at least three years.

PAYMENT TERMS.

Standard.

(C) Denotes Change

APPLICABILITY INDEX OF RIDERS
Introductory Statement

Customers under different rates of this Tariff frequently desire services or present situations and conditions of supply which require special supply terms, charges or guarantees or which warrant modification of the amount or method of charge from the prices set forth in the Base Rate under which they are provided service. Modifications for such conditions are defined by rider provisions included as a part of this Tariff. Riders may be employed when applicable, with or without signed agreement between the customer and the Company as the case may require, notwithstanding anything to the contrary contained in the Base Rate to which the rider is applied.

Riders	Page No.	R	RH	RS	GS	PD	HT	POL	SL-S	SL-E	EP	BLI	AL
Auxiliary Service	66-68	X	X	X	X	X	X						
CAP Rider	69-70	X	X										
Casualty	71			X	X	X	X				X		
Commercial/ Industrial Direct Load Control Program Rider	71A												
Construction	72					X	X				X		
Economic Development	74				X	X	X						
Emergency Energy Conservation	76						X				X		
Interruptible Rider Mandatory	77				X	X	X				X		
Interruptible Rider - Voluntary & System Reliability	78				X	X	X				X		
Investment Return Guarantee	79				X	X	X						
Night Service GS	80				x								
Night Service HT	81						x				X		
Night Service PD	82					x							
Receivership Rider	83				X	X	X	X	X	X	X		X
Residential Direct Load Control Rider	83A	X	X	X									
Temporary Service	85	X	X	X	X	X	X						
Voluntary Market Rate Phase In Rider	87A	X	X		X	X	X	X	X	X			X
Wind Energy Service	88	X	X		X	X	X	X				X	

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(C) Denotes Change

AUXILIARY SERVICE RIDER (continued)

RATE AND BILLING.

All monthly bills for service on this rider shall include one application of the Fixed Distribution Service Charge of the applicable rate. All other capacity and energy charges of the applicable rate shall be modified as set forth below.

Supplementary Power, Maintenance Power and Back-up Power. Billing shall be under the provisions of the applicable rate and riders.

Back-up Power or Maintenance Power

For all customers:

Variable Distribution Service Charge: For the period January 29, 2012 to December 31, 2012 the charges calculated under the tariff shall be multiplied by 66% for billing. Subsequent to December 31, 2012 charges shall be under the applicable tariff rate. (C)

Energy Supply Charge: Generation Supply Adjustment charges for procurement class 2, 3 or 4.

The preceding "Energy Supply Charge" will apply to the customer if the customer receives Default Service. These charges are not applicable to the customer if it obtains Competitive Energy Supply.

Transmission Service for Customers receiving Default Service: The Transmission Service Charge shall apply. The above discount provisions shall apply for transmission backup and maintenance.

(C) Denotes Change

RESIDENTIAL DIRECT LOAD CONTROL PROGRAM (DLC) RIDER

AVAILABILITY.

Central Air Conditioning Cycling Control Option:

This rider is available to any residential retail customer under rates R, RH, RS-2, RT and CAP that (a) is the owner of the premises at which service hereunder is to be provided (or can provide an authorization form from the owner); (b) is provided with electric service at such premises through a separate meter; (c) has a fully functional electric central air conditioning system (CAC) as the principal and dedicated source of air conditioning for such premises, the electric service for which is delivered by the Company through such separate meter and is (are) capable of accepting a Company control device(s), as determined by the Company or its agent; (d) allows the Company to periodically cycle such AC compressor(s); and (e) is located at a premises where the Company's control signal can reach a control unit mounted near such connected unit.

(C)

Electric Water Heater Control Option:

This rider is available to any residential retail customer under rates R, RH, RS-2, RT, and CAP that (a) is the owner of the premises at which service hereunder is to be provided (or can provide an authorization form from the owner); (b) is provided with electric service at such premises through a separate meter; (c) has a fully functional electric water heater, the electric service for which is delivered by the Company through such separate meter and is (are) capable of accepting a Company control device(s), as determined by the Company or its agent; (d) allows the Company to periodically control such electric water heater(s); and (e) is located at a premises where the Company's control signal can reach a control unit mounted near such connected unit.

Availability of this rider for rate OP customers is limited to the central air conditioning cycling control option.

Service hereunder is not restricted to residential retail customers that obtain full requirements electric supply from the Company under Default Service.

Notwithstanding the previous provisions of this Availability section, the availability of this rider is limited by the ability of the Company and its agent to purchase and install the necessary controls needed to implement and administer the Residential Direct Load Control Program (DLCP).

PROGRAM PROVISIONS.

The DLCP allows the Company to obtain temporary reductions in the electric power and energy demands on the electric delivery system located in its service territory through reductions in residential retail customers' electric power and energy usage requirements. The Company reserves the right to activate the DLCP for any reason, including (a) response to shortages of available capacity on the Company's distribution system; (b) response to shortages of available capacity on the transmission system located in the Company's service territory; or (c) preservation of the availability of other load response resources. A residential retail customer to which this rider is available that elects service hereunder is defined as a participant. An activation of the DLCP is defined as an event.

During an event, a participant in the DLCP allows the Company to remotely control the duty cycle of such participant's AC compressor(s) and/or control such participant's electric water heater(s). The Company is allowed to exercise such control without notice at any time. Control events will be limited to the period beginning June 1 and extending through September 30 of each year, except holidays.

Event Performance:

During an event under the AC Compressor Cycling Option, the Company is allowed to cycle the participant's AC compressor(s) for the full duration of the event, with such cycling performed so that the AC compressor(s) alternates every fifteen (15) minutes between being available for cooling and not being available for cooling.

(C) Denotes Change

PECO Energy Company

VOLUNTARY MARKET RATE PHASE IN RIDER

Purpose: The purpose of this Rider is to provide a tool for customers to mitigate the impact of the move to market based rates for energy and capacity. This Rider which shall be applied to the bills of customers that opt in to the program by notifying the Company, shall provide a methodology for the customer to pay earlier and smooth out any post 2010 rate increase. The amounts paid in advance by customers will earn six percent interest and shall be given back to customers as bill credits in the 2011-2013 period or as described below in the event of withdrawal or removal from the program.

Applicability: This Rider shall be applicable to all customers choosing to participate in the program by notifying the Company prior to the start of the program. Late enrollments will be accepted up until December 31, 2009. Customers with peak registered demands of over 500kW, CAP customers and customers more than 30 days in arrears are not eligible for the program.

Billing Provisions: The following surcharges shall apply to each billed kWh for the customers in the specific classes listed below starting on the first bill that is at least 15 days after enrollment but no earlier than July 1, 2009:

	<u>2009</u>	<u>2010</u>	
Rate R	\$0.0053	\$0.0107	
Rate RH	\$0.0049	\$0.0101	(C)
Rate GS	\$0.0030	\$0.0061	
Rate HT	\$0.0063	\$0.0131	
Rate PD	\$0.0041	\$0.0084	
Rate SLS,SLE,SLP,AL	\$0.0088	\$0.0180	
Rate POL	\$0.0088	\$0.0180	
Rate TL	\$0.0088	\$0.0180	

Starting in 2011 the following factors shall be applied to the customers prepaid balance at December 31, 2010 in order to determine the monthly credit to be issued against the customers account. The factors were developed to refund the balance, with interest at 6% per annum, in such a manner that results in a gradual increase in the customer's bill. The credits shall commence on the first bill issued after December 31, 2010.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	
Rate R	0.05822	0.02911	x.xxxxx	
Rate RH	0.03027	0.03027	0.03027	
Rate GS	0.05822	0.02911	x.xxxxx	(C)
Rate HT	0.05822	0.02911	x.xxxxx	
Rate PD	0.05822	0.02911	x.xxxxx	
Rate SLS,SLE,SLP,AL	0.05822	0.02911	x.xxxxx	
Rate POL	0.05822	0.02911	x.xxxxx	
Rate TL	0.05822	0.02911	x.xxxxx	

Program Enrollment: The Company upon approval of a plan by the Public Utility Commission shall provide a 60-day window for customers to enroll in the program. Late enrollments (after July 1, 2009) will be accepted up until December 31, 2009.

Withdrawal from Program: A customer may withdraw from the program at any time by providing the Company notice at least 15 days prior to the withdraw date. The withdrawal shall be effective on the first meter reading date after notice provided there are at least 10 days between meter reading date and notice date. Any remaining balance of the amount prepaid by the customer shall be credited to the customer in the first billing cycle after the withdrawal/removal or at the request of the customer issued in a check.

Removal from the Program: Customers with balances that become more than 30 days in arrears will be removed from the program. Customers transferring to a CAP rate shall also be removed from the program.

Tracking of Prepayments: The Company shall track each customer's prepayments and accrue a return of 6% per annum on the prepaid balance each month until the balance has been fully credited back to customers. The factors above applicable to 2011, 2012, and 2013 shall include the 6% interest.

Other Rates and Riders: The state tax adjustment charge and the universal service charge shall not apply to amounts collected or credited under this rider. Customers under this rider are not eligible for the Voluntary Market Rate Transition Deferral Rider.

(C) Denotes Change



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

January 23, 2013

Docket No. P-2008-2062739

RICHARD G WEBSTER JR
VP REGULATORY POLICY & STRATEGY
PECO
2301 MARKET STREET SUITE 15
PHILADELPHIA PA 19103

Re: Supplement No. 57 to Tariff Electric Pa. P.U.C. No. 4

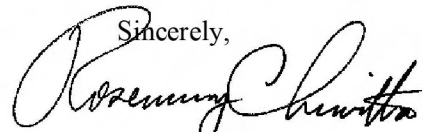
Dear Mr. Webster:

On November 30, 2012, PECO (Company) filed Supplement No. 57 to Tariff Electric Pa. P.U.C. No. 4 to become effective January 29, 2013. Supplement No. 57 was filed as a "Housekeeping" supplement which contains revisions to implement the required tariff changes in accordance with the Company's 2011-2013 Default Service Program and Rate Mitigation Joint Settlement at Docket No. P-2008-2062739. In addition, Supplement No. 57 contains additional "Housekeeping" changes to remove expiring tariff provisions pursuant to the Joint Petition for Settlement of Rate Investigation at Docket No. R-2010-2161575.

Commission Staff has reviewed the tariff revisions and found that suspension or further investigation does not appear warranted at this time. Therefore, in accordance with 52 Pa. Code, Supplement No. 57 to Tariff Electric Pa. P.U.C. No. 4 is effective by operation of law according to the effective dates contained on each page of the supplement. However, this is without prejudice to any formal complaints timely filed against said tariff revision.

If you have any questions in this matter, please contact Marissa Boyle, Bureau of Technical Utility Services, at 717-787-7237 or maboyle@pa.gov.

PECO Exhibit 8 C-2023-3045932

Sincerely,

Rosemary Chiavetta
Secretary