

Responses to the Questions in 52 Pa. Code Section 53.52(a)

53.52

(a) Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement effecting changes in the terms or conditions of service rendered or to be rendered, it shall submit to the Commission, with the tariff, revision or supplement, statements showing all of the following:

- (1). The specific reasons for each change.

The change in PECO's electric tariff is being proposed to implement the cost recovery provisions of the Alternative Energy Portfolio Standards Act in anticipation of the procurement and "banking" of certain alternative energy credits.

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

PECO had approximately 1,550,965 electric customers as of December 31, 2006.

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

All customers taking default service from PECO upon the expiration of its generation rate cap will pay the surcharge calculated under the proposed tariff. Currently, approximately 97% of PECO's customers receive their generation supply from PECO.

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

The proposed tariff change will not have any immediate effect on customers. It is presently estimated that the surcharge, when activated on January 1, 2011, will increase customers' total bills by less than 1.0%. The actual increase will depend upon the results of PECO's procurement process. PECO will make a separate filing specifying the initial surcharge amount, and notifying customers of the requested increase, at least 60 days prior to that date.

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

PECO expects that the overall impact of complying with the AEPS Act will be an increase in both revenue and expense in like amounts. As noted previously, PECO presently expects the initial increase in total revenues and expenses to be less than 1.0%.

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

PECO does not expect that the proposed tariff change will have any effect on the service rendered customers.

- (7). A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement about why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa. C.S. § 1308 (relating to voluntary changes in rates).

The primary factor considered was the AEPS Act itself, which provides for full and current cost recovery using a section 1307 mechanism – precisely what the Company has proposed through this filing.

- (8). Studies undertaken by the utility in order to draft its proposed change. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa. C.S. § 1308 (relating to voluntary changes in rates).

No specific studies were undertaken.

- (9). Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.

No customer polls were taken. As noted above, the tariff change being proposed was triggered by the terms of the AEPS Act.

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

Beginning on April 1, 2007, PECO will notify its customers of this filing by bill insert. A copy of the filing will also be posted at www.peco.com. In addition, and as noted previously, PECO will notify customers of the specific increase to be implemented in advance of the surcharge becoming effective on January 1, 2011.

- (11). FCC, FERC, or Commission orders or ruling applicable to the filing.

See the Commission’s Proposed Rulemaking order at Docket L-00060180, “Implementation of the Alternative Energy Portfolio Standards Act of 2004.”