

# *PECO Energy Company*

## **Electric Service Tariff**

---

### **COMPANY OFFICE LOCATION**

2301 Market Street  
Philadelphia, Pennsylvania 19101

---

For List of Communities Served, See Page 4.

---

Issued December 21, 2009

Effective January 1, 2011

**BY: D. P. O'Brien – President**  
**PECO Energy Distribution Company**  
**2301 MARKET STREET**  
**PHILADELPHIA, PA. 19101**

---

# **NOTICE.**

---

**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

**Generation Supply Adjustment Procurement Class 1, 2, 3 – First Revised Page No. 31**

The purpose of this change is to assign the cost of Super Peak or similar pricing program for default service customers to default service rates.

**Reconciliation – First Revised Page No. 34**

The purpose of this change is to assign the cost of Super Peak or similar pricing program for default service customers to default service rates.

**PECO Energy Company**

TABLE OF CONTENTS

List of Communities Served.....	4
How to Use Loose-Leaf Tariff.....	5
Definition of Terms and Explanation of Abbreviations.....	6,7,8,9
<b>RULES AND REGULATIONS:</b>	
1. The Tariff.....	10
2. Service Limitations.....	10
3. Customer's Installation.....	11
4. Application for Service.....	12
5. Credit.....	13
6. Private-Property Construction.....	14
7. Extensions.....	15,16
8. Rights-of-Way.....	17
9. Introduction of Service.....	18
10. Company Equipment on Customer's Premises.....	18
11. Tariff and Contract Options.....	19
12. Service Continuity.....	20
13. Customer's Use of Service.....	21
14. Metering.....	21
15. Demand Determination.....	22
16. Meter Tests.....	23
17. Billing and Standard Payment Options.....	24
18. Payment Terms & Termination of Service.....	25
19. Unfulfilled Contracts.....	25
20. Cancellation by Customer.....	26
21. General.....	27
22. Rules For Designation of Procurement Class.....	27
23. EGS Switching.....	28
24. Load Data Exchange.....	29
<b>STATE TAX ADJUSTMENT CLAUSE</b> .....	30
Generation Supply Adjustment Procurement Class 1, 2, 3.....	31 <sup>1</sup> ,32
Generation Supply Adjustment Procurement Class 4.....	33
Reconciliation.....	34 <sup>1</sup>
Provision for Surcharge Recovery of Alternative Energy Portfolio Standard Costs.....	35, 36
<b>COMPETITIVE TRANSITION CHARGE (CTC)</b> 30 <sup>2</sup> ,31 <sup>2</sup>	
<b>NUCLEAR DECOMMISSIONING COST ADJUSTMENT CLAUSE (NDCA)</b> .....	37
Provisions for Recovery of UNIVERSAL SERVICE FUND CHARGE (USFC).....	38
Provisions for Recovery of SUPPLEMENTAL UNIVERSAL SERVICE FUND COSTS.....	39
Provision for The Recovery of Mitigation Plan Costs.....	40
<b>RATES:</b>	
Rate R Residence Service.....	41
Rate RT Residence Time-of-Use Service.....	42
Rate R-H Residential Heating Service.....	43
Rate RS-2 Net Metering.....	44, 45
Rate CAP Customer Assistance Program.....	41,42
Rate OP Off-Peak Service.....	46
Rate GS General Service.....	47,48,49
Rate PD Primary-Distribution Power.....	50
Rate HT High-Tension Power.....	51
Rate POL Private Outdoor Lighting.....	52,53
Rate SL-P Street Lighting in City of Philadelphia.....	54,55,56
Rate SL-S Street Lighting-Suburban Counties.....	57,58
Rate SL-E Street Lighting Customer-Owned Facilities.....	59,60
Rate TL Traffic Lighting Service.....	61
Rate BLI Borderline Interchange Service.....	62
Rate EP Electric Propulsion.....	63
Rate AL Alley Lighting in City of Philadelphia.....	64
<b>RIDERS:</b>	
Applicability Index of Riders.....	65
Auxiliary Service Rider.....	66,67,68
CAP Rider - Customer Assistance Program.....	69, 70
Casualty Rider.....	71
Construction Rider.....	72
Cooling Thermal Storage HT Rider.....	73

**PECO Energy Company**

**GENERATION SUPPLY ADJUSTMENT FOR PROCUREMENT CLASSES 1,2,3  
 LOADS UP TO 500KW**

**Applicability:** This adjustment shall apply to all customers taking default service from the Company with demands up to 500 kW. The rate contained herein shall be calculated to the nearest one hundredth of a cent. The GSA shall contain the cost of generation supply for each tariff rate.

**Pricing:** The rates below shall include the cost of procuring power to serve the default service customers plus associated administrative expenses incurred in acquiring power and gaining regulatory approval of any procurement strategy and plan. The pricing for default service will represent the estimate of the cost to serve the specific tariff rate for the next quarter. The rates in this tariff shall be updated quarterly unless the balance of over/(under) recovery gets too large, at which time the Company can file for a shorter reconciliation period. The generation service charge shall be calculated using the following formula:

**GSA(n) = (C+E+A)/S\*1/(1-T)\* (1-ALL)/(1-LL) x PF** where;

**C=** The sum of the amounts paid to the full requirements suppliers providing the power for the quarter, the spot market purchases for the quarter, plus the cost of any other energy acquired through short or long term contracts during the period being reconciled. Cost shall include energy, capacity and ancillary services, distribution line losses, cost of complying with the Alternative Energy Portfolio Standards, and any other load serving entity charges other than network transmission service and costs assigned under the Regional transmission Expansion Plan. Ancillary services shall include any allocation by PJM to PECO default service associated with the failure of a PJM member to pay its bill from PJM as well as the load serving entity charges listed in the Supply Master Agreement Exhibit D as the responsibility of the supplier.

**E =** experienced over or under-collection calculated under the reconciliation provision of the tariff to be effective during the same period as the GSA.

**A = Administrative Cost -** This includes the cost of the auction or RFP monitor, consultants providing guidance on the development of the procurement plan, legal fees incurred gaining approval of the plan, and any other costs associated with designing and implementing a procurement plan. Also included in this component shall be the cost to implement real time pricing or other time sensitive pricing such as super-peak pricing that is required of the Company or is approved in its Act 129 filing. (C)

**S =** Estimated sales for the period the rate is in effect for the classes to which the rate is applicable.

**T =** The currently effective gross receipts tax rate

**n =** The procurement class for which the GSA is being calculated

**ALL =** average line losses for the procurement class

**LL =** line losses for the specific rate class provided in the Company's Electric Generation Supplier Coordination Tariff rule 6.6

**PF =** Phase-out factor to implement the phase out of demand charges and declining blocks

In general the line loss adjustment is applicable to Procurement Class 2 and 3 only as those classes contain rate classes with three different line loss factors.

**Current Charges:**

Rate	Phase-In Price	<u>Rate Design Phase-Out Factor</u>			Average Price*
		2011	2012	2013	
R	All kWh	GSA(1)	x.xxxx	x.xxxx	1.000
	1 <sup>st</sup> 500 S	GSA(1)	x.xxxx	x.xxxx	1.000
RH	Over 500 S	GSA(1)	x.xxxx	x.xxxx	1.000
	1 <sup>st</sup> 600 W	GSA(1)	x.xxxx	x.xxxx	1.000
	Over 600 W	GSA(1)	x.xxxx	x.xxxx	1.000
OP	1 <sup>st</sup> 500 S	GSA(1)	x.xxxx	x.xxxx	1.000
	Over 500 S	GSA(1)	x.xxxx	x.xxxx	1.000
GS	Up to 100 kw		x.xxxx	x.xxxx	1.000
	1 <sup>st</sup> 80 hours use	GSA(2)	x.xxxx	1.000	1.000
	Next 80 hrs – S	GSA(2)	x.xxxx	1.000	1.000
	Up to 400 Hrs use	GSA(2)	x.xxxx	1.000	1.000
	Over 400 hrs use	GSA(2)	x.xxxx	1.000	1.000
	Space Heating	GSA(2)	x.xxxx	1.000	1.000
	101-500 kw				
GS	1 <sup>st</sup> 80 hours use	GSA(3)	x.xxxx	1.000	1.000
	Next 80 hrs – S	GSA(3)	x.xxxx	1.000	1.000
	Up to 400 Hrs use	GSA(3)	x.xxxx	1.000	1.000
	Over 400 hrs use	GSA(3)	x.xxxx	1.000	1.000
	Space Heating	GSA(3)	x.xxxx	1.000	1.000

(C) Denotes Change

**RECONCILIATION**

**Applicability:** This adjustment shall apply to all customers who received default service during the quarter the cost of which is being reconciled. Customers taking default service during the reconciliation period that leave default service prior to the assessment of the collection of the over/(under) adjustment shall still pay or receive credit for the over/(under) adjustment through the migration provision. The Company shall notify the Commission and parties to the Default Service Settlement 15 days in advance of the quarterly or monthly filing if the Migration Provision will be implemented in the filing.

This adjustment shall be calculated on a quarterly basis. The reconciliation shall be separate for each procurement class. Any resulting over or under recovery shall be assessed on an equal cents per kilowatt-hour basis to all customers in the relevant procurement group. Any over/(under) recovery shall be collected in the first quarter after the reconciliation is calculated. For purposes of this rider the reconciliation shall be calculated 45 days after the end of the quarter. The over or under recovery shall be calculated using the formula below. The calculation of the over/(under) recovery shall be done separately for the following procurement classes – Class 1 – Residential, Class 2 – Small C&I < 100 kW, and Class 3 – Medium C&I 101 kW to 500 kW and Class 4 Large C&I over 500 kW.

**Reconciliation Formula**

$$E_N = \Sigma O/(U) + I$$

$$\text{Migration Provision } E_M = [\Sigma O/(U) + I]/S/(1-GRT)*(1-ALL)/(1-LL)$$

**Where:**

**E** = experienced over or under collection plus associated interest

**N** = Procurement class

**M** = Mitigation Rider

**O/(U)** = The monthly difference between revenue billed to the procurement class and the cost of supply as described below in Cost and Administrative Cost

**Revenue** = amount billed to the tariff rates applicable to the procurement class including approved Real Time Price or other time sensitive rates for the three months of the quarter being reconciled through the GSA. (C)

**Cost** = The sum of the amounts paid to all of the full requirements suppliers providing the power for the quarter, the spot market purchases for the quarter, plus the cost of any other energy acquired through short or long term contracts during the period being reconciled. Cost shall include energy, capacity and ancillary services. Ancillary services shall include any allocation by PJM to PECO default service associated with the failure of a PJM member to pay its bill from PJM as well as those costs listed in the Supply Master Agreement as the responsibility of the seller\_\_\_\_\_.

**Administrative Cost** = This includes the cost of the auction or RFP monitor, consultants providing guidance on the development of the procurement strategy, legal fees incurred gaining approval of the strategy, and any other costs associated with designing and implementing a procurement plan. Also included in this component shall be the cost to implement real time pricing or other time sensitive pricing such as super-peak pricing that is required of the Company or approved in its Act 129 filing. (C)

**Full Requirements Supply** = A product purchased by the Company that includes a fixed price for all energy consumed. The only cost added by the Company to the full requirements price is for gross receipts tax, distribution line losses, and administrative cost.

**Ancillary Services** = The following services in the PJM OATT- reactive support, frequency control, operating reserves, supplemental reserves, imbalance charges, PJM annual charges, any PJM assessment associated with non-payment by members, and any other load serving entity charges not listed here but contained in Exhibit D of the Supply Master Agreement.

**Capacity** = The amount charged to PECO by PJM for capacity for its default service load under the reliability pricing model (RPM)

**I** = interest on the over or under collection where a rate of 8% is used on over-collection and 6% on under-collections.

**S** = estimated default service retail sales in kWh for the quarter the cost of which is being reconciled

**ALL** = the average line losses in a procurement class as a percent of generation

**LL** = the average line losses for a particular rate (e.g. HT, PD, GS) as provided in the Electric Generation Supplier Coordination Tariff rule 6.6

**GRT** = The current gross receipts tax rate

**Procurement Class** – set of customers for which the company has a common procurement plan

**Procedural Schedule**

The Company shall file within 45 days after the end of the quarter the calculation of the over/under collection and the proposed adjustment to the GSA. The over/under collection adjustment shall then be effective no earlier than the first day in the upcoming quarter such that the recovery shall lag by one quarter. Quarterly adjustments shall be effective on July 1, October 1, January 1, and April 1 of each year. The first reconciliation, however shall be effective on July 1, 2011 and shall be recovered over 12 months. Monthly only customers shall be effective the first of the month.

The data provided in the quarterly reconciliation shall be audited on an annual basis by the PaPUC Bureau of Audits.