

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

(a)(1) The specific reason for each change

PECO is proposing to revise its Electric Service Tariff to implement its Phase III Energy Efficiency and Conservation Plan (EE&C) Plan, as required by the Commission's Implementation Order at Docket No. M-2014-2424864.

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

As of September 30, 2015, PECO Energy served 1,601,764 electric customers.

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

The bills of 1,601,764 of PECO customers will be affected by the tariff revisions proposed in connection with the implementation of PECO's Phase III EE&C Plan. By rate class, the number of affected customers breaks down as follows:

Residential:	1,439,951
Commercial:	148,920
Industrial:	3,098
Lighting:	9,795

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

The applicable variable distribution charges of residential customers (which currently contain the energy efficiency charge), the existing, separately stated energy efficiency charges for small commercial and industrial customers, and the applicable distribution charges for lighting customers will be revised to reflect Phase III EE&C Plan costs consistent with the terms of the Company's Phase III Provision for Recovery of Energy Efficiency and Conservation Program Costs (EEPC) established under Section 1307 of the Public Utility Code and the revisions to the EEPC proposed in this filing.

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

PECO will incur additional, incremental administrative and infrastructure costs and operating expenses associated with developing and implementing its Phase III EE&C Plan. Revenues are projected to decrease by approximately \$185 million over the five-year term of the Phase III Plan (June 1, 2016 through May 31, 2021) due to decreased demand and energy sales.

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

None.

(a)(7) A list of factors considered by the utility in its determination to make a change. The list shall include a comprehensive statement as to 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. CS 1308.

PECO is required to submit a Phase III EE&C by the Commission's Implementation Order entered at Docket No.M-2014-2424864.

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

PECO conducted a series of studies to support its proposed Phase III EE&C Plan, which consist of: (1) a benchmarking study that assessed PECO's prior and proposed EE&C Plans against the EE&C Plans of other EDCs in Pennsylvania; (2) a comparison of the Statewide Evaluator baseline study to PECO's own supplemental baseline study; (3) a market potential study for energy efficiency measures; and (4) a demand response potential study. The information from this research and analysis shaped and informed the design of PECO's EE&C Phase III Plan.

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

PECO reviewed existing Evaluation Measurement & Verification program research reports to develop information used to design its Phase III Plan and, in particular, to adopt the best practices identified with respect to its Phase II Plan in order to try to obtain high consumer adoption rates. Additionally, throughout the Phase III portfolio planning process, PECO participated in various stakeholder forums where stakeholders could represent the position of their constituent customers (i.e., residential, low income, small commercial, large commercial, government/non-profit). The stakeholder forums were intended to inform the stakeholders of the process that PECO was utilized to develop its Phase III Plan and, more importantly, to solicit their input regarding potential energy efficiency and demand response programs. Based, in part, on input obtained through the stakeholder process, the Phase III Plan has been designed to focus on delivering comprehensive program offerings to customers.

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

PECO plans to communicate to customers in a multi-faceted way. PECO will issue a press release explaining that it has filed its Phase III Plan with the PUC for PUC approval. The current PECO Smart Ideas campaign will be amended to include information about the enhanced features of PECO's existing EE&C programs and to introduce the new programs in PECO's Phase III Plan. In addition, the Company will continue its robust customer education and enrollment efforts to inform customers about how the programs in its Phase III Plan can help them save money by reducing their energy use. PECO will use a multi-channeled approach to communicate existing program changes well in advance of implementing those changes in order to avoid customer confusion and to promote customer satisfaction. The communication channels will vary by program and may include, but not be limited to, bill inserts, newsletters (energy@home for residential customers), energy@work for commercial customers), web communications, direct mail, grass roots initiatives, earned media and paid media.

(a)(11) F.C.C., FERC, or Commission orders or ruling applicable to the filing.

The following Act 129 Phase III orders at Docket M-2014-2424864 are applicable to the filing:

- 2016 TRC Test Order
- Final EEC Plan Template Secretarial Letter
- SWE Distributed Generation Potential Study
- SWE EE and DR Potential Studies – Second Addendum
- Energy Efficiency and Conservation Program Implementation Order

The following orders are also applicable:

- Docket No. M-2015-2469311– 2016 Technical Reference Manual Final Order
- Docket No. M-2008-2074154 – Final Order - Registry of Conservation Service Providers