ELECTRIC RATES TO CHANGE BEGINNING JUNE 1, 2018

Beginning with service provided June 1, 2018, changes will affect your monthly electric bill. For a residential customer using 700 kilowatt-hours (kWh) per month, the effect of these approved changes is a total increase of \$1.49 to the typical monthly bill, from \$102.93 to \$104.42, or 1.45%. The enclosed bill reflects these changes. Here are the details:

Generation Charges: The costs to purchase electricity are passed along to customers at exactly the prices that PECO pays. The generation charges for residential customers will increase by 0.218 cents to 6.619 cents per kWh beginning June 1, 2018. The charge is \$46.33 per month for a typical residential customer using 700 kWh of electricity per month. The generation charges for small commercial customers will increase by 0.234 cents to 6.248 cents per kWh. The charge is \$624.80 per month for a typical small commercial customer using 10,000 kWh of electricity per month.

Transmission Charges: The Transmission Service Charge ("TSC") for residential customers will decrease by 0.166 cents to 0.532 cents per kWh effective June 1, 2018. The charge is \$3.72 per month for a typical residential customer using 700 kWh of electricity per month. The TSC for small commercial customers is decreasing by \$0.20 to \$1.34 per kilowatt (kW). The TSC for large commercial customers is increasing by \$0.10 to \$1.01/kW.

Distribution Charges: The distribution charge includes the Non-Bypassable Transmission Service Charge ("NBT") which recovers certain regional power grid charges from all distribution customers. The NBT charge for residential customers will increase by 0.024 cents to 0.316 cents per kWh effective June 1, 2018. The NBT charge is \$2.21 per month for a typical residential customer using 700 kWh of electricity per month. The NBT for small commercial customers is increasing by \$0.33 to \$0.85/kW. The NBT for large commercial customers is increasing by \$0.318 to \$1.00/kW.

Energy Efficiency Program Charge (EEPC): This charge recovers the costs associated with state required energy efficiency and conservation programs. The EEPC charge (included in the Distribution Charges) for residential customers will increase by 0.137 cents to 0.374 cents per kWh. The charge is \$2.62 per month for a typical residential customer using 700 kWh of electricity per month. The EEPC for small commercial customers is increasing by 0.215 cents to 0.167 cents/kWh. The EEPC for large commercial customers is increasing by \$0.38 to \$0.54/kW.

Rate R – Residential Monthly Billed Charges

Customer Charge\$8.45Generation Charges\$0.06619 per kWhTransmission Charges\$0.00532 per kWhDistribution Charges\$0.06520 per kWh

Minimum Charge:

The minimum charge per month will be the Customer Charge. State Tax Adjustment applies to this rate.

Bill Calculation for Rate R Residential Service Customer Using 700 kWh per month

\$8.45 *
\$46.33
\$3.72
\$45.64 *
\$0.29
\$104.43
\$104.43
\$(0.01)
\$104.42

^{*} State Tax Adjustment applies to Customer Charge and Distribution Charges.

** For calculating the DISC 0.00256/kWh is removed from the Distribution Charges.

Customers who purchase the electricity they use from a competitive electric generation supplier would not pay PECO's Generation and Transmission Charges listed above. Instead they would pay the charges of the competitive electric generation supplier they have chosen.

Questions

For more information on any of these changes visit **peco.com/rates** or call **1-800-494-4000**.

Small business customers can call PECO's Business Customer Service Team at 1-800-220-PECO.

Large business customers can contact their account representative listed on their bill.

