

ELECTRIC RATES TO CHANGE BEGINNING JANUARY 1, 2020

Beginning with service provided January 1, 2020, 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 decrease of \$2.85 to the typical monthly bill, from \$105.52 to \$102.67, or 2.70%. The enclosed bill reflects these changes. Here are the details:

Universal Service Fund Charge (USFC): This credit recovers the costs associated with PECO's low-income programs. The USFC is a credit of 0.261 cents per kWh effective January 1, 2020. For a typical residential customer using 700 kWh per month, the new rate will result in a decrease of \$0.63 per month, which is included in the Distribution Charges.

Federal Tax Adjustment (FTA): This adjustment is associated with reconciling the remaining balance associated with the Tax Cuts and Jobs Act. The FTA will be reset to 0% for all rate classes. This change will result in a decrease of \$2.73 per month for a typical residential customer using 700 kWh per month. This change will result in a decrease of \$4.25 per month for a typical small commercial customer and an increase of \$145.76 per month for a typical large commercial customer.

Tax Accounting Repair Credit (TARC): This credit is associated with a change in accounting for tax purposes for the treatment of equipment repairs. The TARC will be reset to \$0.00 for all rate classes. For a typical residential customer using 700 kWh per month, the new rate will result in an increase of \$0.50 per month, which is included in the Distribution Charges. This change will result in an increase of \$4.70 per month for a typical small commercial customer and an increase of \$28.00 per month for a typical large commercial customer.

State Tax Adjustment: The State Tax Adjustment Surcharge (STA) will increase from a credit value of 0.01% to a value of 0.00%. This change will result in \$0.01 increase per month for a typical residential customer using 700 kWh per month.

(over)

Rate R – Residential Monthly Billed Charges

| | |
|----------------------|-------------------|
| Customer Charge | \$9.97 |
| Generation Charges | \$0.06114 per kWh |
| Transmission Charges | \$0.00623 per kWh |
| Distribution Charges | \$0.06505 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

| | | |
|---|---------------------|-----------------|
| Customer Charge | | \$9.97* |
| Generation Charges | 700 kWh @ \$0.06114 | \$42.80 |
| Transmission Charges | 700 kWh @ \$0.00623 | \$4.36 |
| Distribution Charges | 700 kWh @ \$0.06505 | <u>\$45.54*</u> |
| Subtotal | | <u>\$102.67</u> |
| STA (0.00% x (\$9.97* + \$45.54*)) | | <u>(\$0.00)</u> |
| TOTAL | | \$102.67 |

* State Tax Adjustment applies to the Customer Charge and 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(7326)**.

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



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