

EXHIBIT F

Summary Of The Recovery Of Costs Associated With Default Service And Mitigation

Costs Included In The PTC

1. Generation Supply Adjustment

- a. Administrative costs (other costs associated with implementing the plan)
 1. Information technology (IT) costs incurred to implement the procurement plan and the price to compare (PTC); includes billing and wholesale supply contract/energy procurement and scheduling system changes
 2. Cost of approval of the plan, which reflects the cost of outside consultants and outside lawyers, expenditures on IT or software to develop data necessary for developing procurement class PTCs, and customer notification costs
 3. Cost of Independent Evaluator and AEPS RFP monitor (to the extent not included in the AEPS Charge) for the full requirements, block energy, and AEPS alternative energy procurements
 4. All other incremental costs necessary to implement the plan such as the cost of the “pricing agent” required under the Supply Master Agreement, additional non-IT billing system cost and supplemental care center support during the transition
- b. Energy Supply-related costs
 1. Cost of supply from full requirements contracts
 2. Cost of complying with AEPS not included in the full requirements contracts and not included in the AEPS charge
 3. Block energy and spot market energy purchases net of any sales of excess energy that become available; includes energy, capacity, ancillary services and any other charges assessed by PJM related to the purchases, excluding network transmission and PJM Regional Transmission Expansion Plan (RTEP) related costs. Specifically, cost of supply from block energy supply contracts and for the 25% of residential load served by PECO at PJM bill charges and credits identified as “Seller Responsibility” on full requirements service Supply Master Agreement Exhibit D, “Sample PJM Invoice.”
 4. PJM related charges assessed on load serving entities
 5. Cost of collateral, if any is required, for PJM associated with load serving entity PJM bill responsibility.
- c. Frequency of update and reconciliation
 1. Generation Supply Adjustment changes shall be calculated and reconciled quarterly for Residential, Small C&I, and Medium C&I

2. Reconciliation is calculated monthly for Large C&I (>500kW)

2. PECO's Retail Electric Transmission Rates

3. Alternative Energy Portfolio Standard Charge

4. There Shall Be Four Procurement Classes

- a. Residential
- b. Small C&I (0-100kW)
- c. Medium C&I (100-500kW)
- d. Large C&I (>500kW)

Note: Estimates of the administrative costs identified in Section 1.a., above, are provided in the attached schedule.

Costs Not Included in the PTC

1. Consumer Education and Mitigation

a. Consumer Education cost – to be included in a non-bypassable surcharge consistent with the Commission's order at Docket Nos. M-2008-2032274 and M-2008-2062739 and the terms of the Joint Petition for Settlement at Docket No. P-2008-2062741. Consumer Education cost includes the cost of promoting mitigation programs such as the Market Rate Transition Phase-in Program ("Early Phase-in") and the Market Rate Transition Deferral Program (Deferral Program").

b. Cost of the Deferral Program (if required)

1. IT implementation cost, incremental call center and enrollment cost, and other costs of the program are to be recovered in a non-bypassable surcharge with the allocation of costs consistent with the terms of this Settlement. Costs are expected to be similar to the Early Phase-in cost estimate.
2. To be included in a non-bypassable surcharge.

2. Early Phase-in Cost

- a. To be deferred and recovered in the next base rate case per the terms of the Joint Petition for Settlement at Docket No. P-2008-2062741.
- b. The cost estimates set forth in the Joint Petition for Settlement at Docket No. P-2008-2062741 are \$0.46M for O&M and \$0.75M for capital. The O&M portion consists of \$0.1M for IT, \$0.2M for call center support, and \$0.16 for bill presentment and customer notifications.

Estimated Administrative Costs

Cost Element	Capital	O&M Expense	Est. Annual Cost(d)
IT/Billing System	TBD	TBD	TBD
IT/Energy Acquisition Systems	TBD	TBD	TBD
Rate Mitigation IT*(a)	\$1.5M	\$0.2M	Portions deferred
Rate Mitigation - Other*(a)		\$0.7M	Portions Deferred
Independent Evaluator(a)		\$0.5M/yr	\$0.5M
Cost of Proceeding (a)(b)		\$4.0M	\$1.7M
Other Implementation Cost (c)		TBD	TBD
Total	TBD	TBD	TBD

NOTE: The Parties agree with the general categories above, however, the costs shown above are PECO’s estimates. PECO’s actual expenditures shall be subject to review and approval by the Commission at the time those costs are claimed for recovery. Only expenditures that are found to be reasonable will be recoverable from customers.

* Not included in PTC; portions associated with the Early Phase-in are deferred until the next base rate case. Includes both the Early Phase-in and the Deferral Program.

(a) Preliminary Estimate

(b) Cost of the proceeding consists of the following:

1. Outside legal cost \$1.000M
2. Consultants \$2.600M
3. Customer notice \$0.031M
4. Proof of revenue \$0.260M
5. Load study \$0.125M
6. Other expenses \$0.008M

(c) Cost elements such as incremental non-IT billing system costs and supplemental customer care center staff for transition.

Exhibit F

(d) Recovery period

IT - 5 years with a 6% return on unamortized capital

Cost of proceeding – 29 months

Other implementation costs – 29 months

Independent Evaluator – current (1 year)

Rate Mitigation (Deferral Program) – IT cost amortized over the deferral program period with 6% return on capital; other O&M current recovery