

# **Commonwealth Edison Company's Infrastructure Investment Plan**

## **Attachment 1: 2013 Plan Review**

**April 1, 2014**

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## **Executive Summary**

### **Overview**

On November 8, 2011, Commonwealth Edison Company (“ComEd”) filed its proposed performance-based formula rate, Rate DSPP – Delivery Service Pricing and Performance (“Rate DSPP”), with the Illinois Commerce Commission (“Commission”) pursuant to Section 16-108.5 of the Public Utilities Act (“Act”). The Commission commenced Docket No. 11-0721 to review that filing. In making that filing, ComEd confirmed that it elected to become a “participating utility”, and committed to undertake the investments described in Section 16-108.5(b) of the Act. Section 16-108.5(b) also called on ComEd, within 60 days of such filing, to submit a plan for satisfying its infrastructure investment program commitments, which must include information regarding scope, schedule and staffing. ComEd submitted its Infrastructure Investment Plan (“Plan”) to the Commission on January 6, 2012. Section 16-108.5(b) further requires ComEd, no later than April 1 of each subsequent year, to submit to the Commission a report that includes any updates to the Plan, a schedule for the next calendar year, the expenditures made for the prior calendar year and cumulatively, and the number of full-time equivalent jobs created for the prior calendar year and cumulatively.

Accordingly, ComEd submits to the Commission together with its 2014 Annual Update to the Plan (“2014 Annual Update”), this 2013 Plan Review, for informational purposes, as prescribed by the Act. Consistent with ComEd’s Plan and 2013 Annual Update, this 2013 Plan Review organizes individual projects under two broad categories of investment:

Reliability-Related Investments: Investments in electric system upgrades, modernization projects, and training facilities; and

Smart Grid-Related Investments: Investments in Smart Grid electric system upgrades and transmission and distribution infrastructure upgrades and modernization.

The results reflected in this 2013 Plan Review are consistent with, and subject to, the planning process and constraints described on pages 8-11 of the 2014 Annual Update.

During 2012 and 2013 – the first two years of the Plan, ComEd gained many insights in the implementation of specific programs, which now inform the estimates reflected in the 2014 Annual Update. Specifically, these insights have resulted in a current estimated net favorability of \$60 million over the multi-year course of the programs as compared to the initial cost estimates set forth in the Plan, while maintaining or actually increasing scope on certain programs. This favorability has resulted from, among other things, the benefit of bidding long-term contracts for definable scopes of work, refinement in unit rate defect estimates, and the alignment of communications infrastructure investments within the Smart Grid-Related Investments scope of work. In sum, these results provide helpful indicators that ComEd's Plan is on track, and further provide ComEd with the flexibility to respond to unforeseen challenges that may arise over the remaining years of Plan implementation.

## **2013 Expenditure Summary**

Capital expenditures associated with Plan investments were approximately \$26 million over budget in 2013, and approximately \$42 million under budget cumulatively.

Table A.1 presents, for each program area, the following comparisons:

- Budgeted 2013 capital expenditures versus actual 2013 capital expenditures, as reported in the 2013 Investment Plan and 2014 Annual Update, respectively. Corresponding explanations of material differences are also included for each program area, as applicable.
- Budgeted cumulative capital expenditures versus actual cumulative capital expenditures, as reported in ComEd's 2012 – 2013 Investment Plans and 2014 Annual Update, respectively. Corresponding explanations of material differences are also included for each program area, as applicable.

## **2013 Units of Work Summary**

Table A.2 presents, for each program area, the following comparisons:

- Planned units of work for 2013 versus actual units of work completed in 2013, as reported in the 2013 Investment Plan and 2014 Annual Update, respectively. Corresponding explanations of material differences are also included for each program area, as applicable.
- Planned cumulative units of work versus actual cumulative units of work completed, as reported in ComEd's 2012 – 2013 Investment Plans and 2014 Annual Update, respectively. Corresponding explanations of material differences are also included for each program area, as applicable.

**Table A.1: 2013 and Cumulative Capital Expenditures vs. Budget**

Program	Budgeted Capital (\$M)		Actual Capital (\$M)		Difference (\$M)		Comments
	2013	Cum.	2013	Cum.	2013	Cum.	
URD Injection and Replacement Program	\$58.3	\$117.4	\$58.4	\$117.2	\$(0.1)	\$0.2	Investments proceeded as planned in 2013.
Mainline Cable System Refurbishment and Replacement Program	\$54.3	\$98.0	\$46.2	\$73.8	\$8.1	\$24.2	Although there were more manhole assessments completed than planned, the assessments yielded fewer manhole replacements than had been planned.
Ridgeland 69kV Cable Program	\$3.9	\$11.9	\$3.2	\$9.7	\$0.7	\$2.2	The difference is due to good existing duct conditions, minimal environmental and adjacent circuit issues, and minimal substation modifications.
Training Facilities Program	\$0.0	\$2.7	\$0.0	\$2.7	\$0.0	\$0.0	The Rockford Training Center was completed in 2012. No capital investments for this program in 2013.
Wood Pole Program	\$16.4	\$22.6	\$14.9	\$21.7	\$1.5	\$0.9	The difference is due to competitive contractor pricing.
Storm Hardening Program	\$15.2	\$34.9	\$13.0	\$33.8	\$2.2	\$1.1	The difference is due to competitive contractor pricing.
<b>Total Reliability-Related Investments</b>	<b>\$148.1</b>	<b>\$287.5</b>	<b>\$135.7</b>	<b>\$258.9</b>	<b>\$12.4</b>	<b>\$28.6</b>	
Distribution Automation ("DA") Program	\$59.5	\$92.0	\$59.2	\$93.9	\$0.3	\$(1.9)	The difference is due to competitive contractor pricing.
Substation Micro-Processor Relay Upgrade Program	\$15.9	\$25.2	\$15.6	\$22.3	\$0.3	\$2.9	Program scope has not changed, but the timing of specific stations and the engineering to support have been adjusted, which causes some variation year over year.
Smart Meter Program	\$3.8	\$56.0	\$42.6	\$43.4	\$(38.8)	\$12.6	Per the Advanced Metering Infrastructure Deployment Plan ("AMI Plan") approved by the Commission in Docket No. 12-0298 and further modified in Docket No. 13-0285, ComEd pulled ahead deployment of meters into 2013. 70,882 meter installations were completed in the year, which drove capital expenditures of \$43M. The previously budgeted amount of \$3.8M was based on meter deployment starting in 2015.
<b>Total Smart Grid-Related Investments</b>	<b>\$79.2</b>	<b>\$173.2</b>	<b>\$117.4</b>	<b>\$159.6</b>	<b>\$(38.2)</b>	<b>\$13.6</b>	
<b>Total Plan Investments</b>	<b>\$227.3</b>	<b>\$460.7</b>	<b>\$253.1</b>	<b>\$418.5</b>	<b>\$(25.8)</b>	<b>\$42.2</b>	

**Table A.2: 2013 and Cumulative Completed Units of Work vs. Plan**

Program	Units of Work	Planned Units		Completed Units		Difference		Comments
		2013	Cum.	2013	Cum.	2013	Cum.	
URD Injection and Replacement Program	Miles of URD cable Injected	97	194	97	194	0	0	Work proceeded as planned in 2013.
	Miles of URD cable Replaced	364	727	364	737	0	10	Work proceeded as planned in 2013.
Mainline Cable System Refurbishment and Replacement Program	Number of manholes Assessed	6,025	10,445	7,344	15,352	1,319	4,907	More manholes were assessed than planned in order to develop an appropriate pool of work and also to develop process capability.
	Miles of mainline cable Replaced	83	127	87	133	4	6	Work proceeded as planned in 2013.
	Number of mainline sections Tested	121	238	123	243	2	5	Work proceeded as planned in 2013.
Ridgeland 69kV Cable Program	Miles of 69kV Cable Replaced	1.4	4.6	1.4	4.6	0	0	Work proceeded as planned in 2013.
Wood Pole Program	Number of wood pole Inspected	149,000	282,400	150,482	287,634	1,482	5,234	ComEd completed more wood pole inspections than planned.
	Number of wood pole Replaced / Reinforced	4,000	6,500	4,095	6,833	95	333	ComEd replaced/reinforced more poles than originally planned in order to reduce the pre-2013 replacement backlog and eliminate the pre-2013 reinforcement backlog.
Distribution Automation Program	DA device Installed	630	1,100	630	1,102	0	2	Work proceeded as planned in 2013.
Smart Meter Program	Smart Meters Installed	0	0	70,882	70,882	70,882	70,882	Per the Advanced Metering Infrastructure Deployment Plan ("AMI Plan") approved by the Commission in Docket No. 12-0298 and further modified in Docket No. 13-0285, ComEd began the deployment of meters in September of 2013, and completed 70,882 meter installations by year end. This exceeded the AMI Plan's target of 60,000 meters installed in 2013, which is due to higher than anticipated productivity.