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1 **I. INTRODUCTION AND BACKGROUND**

2 **A. IDENTIFICATION OF WITNESSES**

3 **Q. What are your names and business addresses?**

4 A. Lawrence S. Alongi and Timothy F. McInerney, Commonwealth Edison Company, Three
5 Lincoln Centre, Oakbrook Terrace, Illinois 60181-4260.

6 **Q. Mr. Alongi, by whom are you employed and in what position?**

7 A. I am employed by Commonwealth Edison Company (“ComEd”) in the position of
8 Manager, Retail Rates.

9 **Q. Mr. McInerney, by whom are you employed and in what position?**

10 A. I am employed by ComEd in the position of Senior Rate Specialist.

11 **B. PURPOSE OF TESTIMONY**

12 **Q. What is the purpose of your testimony?**

13 A. The purpose of our testimony is to describe the tariff implementation for the second step
14 of the two-step post-2006 ratemaking process that builds on ComEd’s post-2006
15 competitive procurement process proposal filed in Docket No. 05-0159 on
16 February 25, 2005.¹ Specifically, this testimony:

17 1. Describes and explains the structure and implementation of ComEd’s proposed
18 new tariffs for bundled service or Basic Electric Service (“BES”) in the post-
19 transition period.

¹ This two-step ratemaking process is described in ComEd Ex. 7.0 filed in Docket No. 05-0159 and is further described in the Direct Testimony of Paul R. Crumrine, ComEd Ex. 9.0 filed in this proceeding.

- 20 2. Describes, explains, and supports ComEd’s proposed delivery service tariff and
21 related tariffs and changes and modifications to those tariffs.

- 22 3. Presents the results of ComEd’s proposed assignment of its Illinois Commerce
23 Commission-jurisdictional delivery service revenue requirement (the “revenue
24 requirement”) among its delivery service customer classes.

- 25 4. Explain the determination of the proposed charges contained in the proposed
26 tariffs sheets that ComEd has attached hereto.

- 27 5. Describe other changes that are proposed for ComEd’s tariff general terms and
28 conditions.

- 29 6. Describe the distribution loss study that was performed to determine the
30 distribution loss factors proposed for use in the tariffs attached hereto.

- 31 7. Present the form of public notice that ComEd will publish, as described in
32 83 Illinois Administrative Code Part 255.20.

33 **C. ITEMIZED ATTACHMENTS TO DIRECT TESTIMONY**

34 **Q. What are the exhibits attached to your testimony?**

35 A. The following is a list of the exhibits attached to our testimony and a brief description of
36 each:

37 **Proposed Tariffs and Tariff Revisions:**

- 38 1. **ComEd Ex. 10.1** contains ComEd’s proposed tariff sheets that, together with
39 those proposed tariffs filed by ComEd in Docket No. 05-0159 on
40 February 25, 2005, comprise ComEd’s proposed new Schedule of Rates for the
41 post-2006 period. This new Schedule of Rates also will include any other tariffs
42 approved by the Illinois Commerce Commission (the “Commission” or “ICC”)
43 prior to the end of the transition period that are to remain in effect in the post-
44 2006 period.

- 45 2. **ComEd Ex. 10.2** contains ComEd’s proposed tariff sheet revisions that serve to
46 limit the effectiveness of much of ComEd’s existing Schedule of Rates through
47 the end of the mandatory transition period, as well as to make some minor
48 formatting revisions.

49 **Summary Listings of Proposed Tariffs and Proposed Post-2006 Sheet Numbering:**

- 50 3. **ComEd Ex. 10.3** contains a summary list of new tariffs proposed in this
51 proceeding with a corresponding reference to the existing tariffs being replaced.
- 52 4. **ComEd Ex. 10.4** contains a summary list of existing tariffs being replaced with a
53 corresponding reference to proposed tariffs.
- 54 5. **ComEd Ex. 10.5** provides the proposed sheet numbering structure that ComEd
55 requests the Commission allow ComEd to use for its post-2006 Schedule of Rates
56 as further explained in our testimony.

57 **BES Rates - Determination of Capacity Obligation, Supply Administration Charge,
58 and Uncollectibles Adjustment Factor:**

- 59 6. **ComEd Ex. 10.6** shows, for illustrative purposes, how the Capacity Obligation
60 for a retail customer will be determined under ComEd's proposed hourly supply
61 bundled electric service rate.
- 62 7. **ComEd Ex. 10.7** shows how the Supply Administration Charge for each BES
63 tariff was determined.
- 64 8. **ComEd Ex. 10.8** shows how the Uncollectibles Adjustment Factor for each BES
65 tariff was determined.

66 **Rate RDS - Determination of Charges and Distribution Loss Factors:**

- 67 9. **ComEd Ex. 10.9** provides the determination of Rate RDS - Retail Delivery
68 Service ("Rate RDS") Charges (this exhibit also is referred to as the "rate design
69 spreadsheet.").
- 70 10. **ComEd Ex. 10.10** shows how the specific amount proposed for the Single Bill
71 Credit of Rate RDS was determined.
- 72 11. **ComEd Ex. 10.11** shows how the Direct Access Service Request ("DASR") Fees
73 of Rate RDS were determined.
- 74 12. **ComEd Ex. 10.12** shows how the Nonstandard Switching Fees of Rate RDS were
75 determined.
- 76 13. **ComEd Ex. 10.13** shows how the Distribution Loss Factors proposed in the
77 System Losses section of Rate RDS were determined.

78 **Riders – List of Changes and Determination of Charges:**

- 79 14. **ComEd Ex. 10.14** provides a summary list and description of the proposed riders
80 that are new and riders that replace existing riders, which include notable changes.
- 81 15. **ComEd Ex. 10.15** provides a summary list and description of the proposed riders
82 that replace existing riders with only housekeeping changes to the existing riders.
- 83 16. **ComEd Ex. 10.16** shows, for illustrative purposes, how the Environmental Cost
84 Recovery Adjustment described in Rider ECR - Environmental Cost Recovery
85 (“Rider ECR”) will be determined.
- 86 17. **ComEd Ex. 10.17** shows, for illustrative purposes, how the Rider FCA -
87 Franchise Cost Addition (“Rider FCA”) percentages will be determined.
- 88 18. **ComEd Ex. 10.18** shows how the Rider ML – Meter-Related Facilities Lease
89 (“Rider ML”) Charges were determined.
- 90 19. **ComEd Ex. 10.19** shows how the Rider PM - Primary Metering Adjustment
91 (“Rider PM”) percentage was determined.
- 92 20. **ComEd Ex. 10.20** provides an illustrative example of the methodology ComEd
93 proposes to use to determine the assessment for the Illinois Electricity
94 Distribution Tax (“IEDT”) cost component of the Zero Standard Charge proposed
95 in Rider ZSS7 – Zero Standard Service 2007 (“Rider ZSS7”).

96 **General Terms and Conditions – List of Changes and Determination of Fees:**

- 97 21. **ComEd Ex. 10.21** provides a summary list of notable changes in the proposed
98 General Terms and Conditions.
- 99 22. **ComEd Ex. 10.22** shows how the CATV Power Supply Test Fee was determined.
- 100 23. **ComEd Ex. 10.23** shows how the Duplicate Information Fee was determined.
- 101 24. **ComEd Ex. 10.24** shows how the Interval Data Fee was determined.
- 102 25. **ComEd Ex. 10.25** shows how the Invalid Payment Fee was determined.
- 103 26. **ComEd Ex. 10.26** shows how the Reconnection Fee was determined.

104 **Determination of Charges shown in Rate MSPS7 – Metering Service Provider**
 105 **Service 2007 (“Rate MSPS7”):**

- 106 27. **ComEd Ex. 10.27** shows how the Meter Reading Charges were determined.
 107 These charges are identical to the Nonstandard Switching Fee charges contained
 108 in proposed Rate RDS.
- 109 28. **ComEd Ex. 10.28** shows how the Metering Equipment Removal Charges were
 110 determined.
- 111 29. **ComEd Ex. 10.29** shows how the MSP-Requested Work Charges were
 112 determined.

113 **Public Notice:**

- 114 30. **ComEd Ex. 10.30** provides the form of public notice that ComEd will publish, as
 115 described in 83 Illinois Administrative Code Part 255.20.

116 **D. BACKGROUND AND EXPERIENCE**

117 **Q. Mr. Alongi, would you describe your educational background and business**
 118 **experience?**

119 A. I have a Bachelor of Science degree in Electrical Engineering from Northwestern
 120 University. I have been employed by ComEd since July 1974. During my employment
 121 by ComEd I have had assignments in field engineering, project engineering, distribution
 122 planning, system planning, distribution engineering, and rates. I have held positions as
 123 District Engineering Supervisor, Area Engineering Supervisor, Planning Supervisor,
 124 Assistant Division Engineer, Division Engineer, and Senior System Rate Administrator.
 125 In March 1998, I assumed my present position as Manager, Retail Rates (the Retail Rates
 126 Department then was called the Rate Department, and my position was then called
 127 “Director of Rates”). I also have been a member of the Edison Electric Institute

128 Economic Regulation and Competition Committee since I assumed my present position
129 in 1998.

130 **Q. Mr. Alongi, what are your current duties and responsibilities?**

131 A. My primary duties are to plan and direct the development and implementation of
132 ComEd's retail tariffs and revisions to such tariffs. These duties include the planning and
133 direction of ComEd's retail rate design, cost of service activities, and retail rate
134 administration. I also direct the preparation of the necessary filings of such tariffs with
135 the Commission.

136 **Q. Mr. McInerney, would you describe your educational background and business
137 experience?**

138 A. I have a Bachelor of Science degree in Electrical Engineering from the University of
139 Notre Dame and a Masters of Business Administration from Dominican University. I
140 have been employed by ComEd since January 1989. During my employment by ComEd
141 I have had assignments in marketing, sales, energy services, rate administration and rates.
142 I have held positions as Principal Rate Analyst, Rate Administrator, Senior Account
143 Manager, Principal Account Manager and Marketing Representative. In October 2003, I
144 assumed my present position as Senior Rate Specialist.

145 **Q. Mr. McInerney, what are your current duties and responsibilities?**

146 A. I am responsible for developing the billing determinants relating to ComEd's retail rates
147 that are utilized in this filing. This includes managing the development of computer
148 systems to extract the necessary data from ComEd's billing system to support the various

149 workpapers and minimum filing requirements related to this filing. I am also involved in
 150 work related to retail rate design.

151 **II. IMPLEMENTATION OF POST-TRANSITION PERIOD RATE DESIGN GOALS**

152 **Q. How does ComEd propose to implement the goals for its post-transition period rate**
 153 **design as identified in the direct testimony of ComEd witness Mr. Paul R.**
 154 **Crumrine, ComEd Ex. 9.0, filed in this proceeding?**

155 A. ComEd proposes to implement these goals as follows:

156 1. ComEd proposes a new set of tariffs for bundled electric service called “Basic
 157 Electric Service” or “BES.”

158 2. The pricing for the proposed BES tariffs is based upon a build up of the separate
 159 service components included in providing bundled electric service. Specifically,
 160 these tariffs are structured in a manner that separately identifies the individual
 161 charges for distribution, transmission, and supply (“supply” is the “full
 162 requirements electric supply” as that term is defined in the proposed Rider CPP –
 163 Competitive Procurement Process (“Rider CPP”) filed in Docket No. 05-0159).
 164 Accordingly, each of the proposed BES tariffs contains the following separately
 165 identified categories of charges:

166 a. **Distribution Charges:** determined by reference to the applicable delivery
 167 service charges contained in ComEd’s proposed Rate RDS and any other
 168 applicable charges for nonstandard distribution and meter-related facilities
 169 by reference to other applicable tariffs;

170 b. **Transmission Charges:** determined by reference to the applicable
 171 transmission services charge provided for in ComEd’s proposed
 172 Rider TS-CPP – Transmission Services (Competitive Procurement
 173 Process) (“Rider TS-CPP”), as detailed in Docket No. 05-0159; and

174 c. **Supply Charges:** determined by reference to the applicable supply
 175 charges and accuracy assurance factor provided for in ComEd’s proposed
 176 Rider CPP, adjusted to recover uncollectible costs incurred by ComEd
 177 and, under ComEd’s proposed hourly supply bundled service rate,
 178 adjusted for losses. In addition, ComEd’s proposed BES tariffs include a
 179 proposed Supply Administration Charge.

- 180 3. ComEd proposes to synchronize the majority of the customer classes for service
181 under delivery service (Rate RDS) and the new BES tariffs.
- 182 4. ComEd proposes to restructure its Schedule of Rates by consolidating and in
183 some cases modifying many of its current rates and riders that are based on the
184 legacy tariffs offered by ComEd prior to the modification of the Illinois Public
185 Utilities Act in 1997 (the “Act”). This process will more closely align tariffs with
186 ComEd’s new cost structure as a delivery (i.e., “wires”) company.

187 **Q. How is ComEd proposing to incorporate ComEd’s tariffs for post-2006 resulting**
188 **from this proceeding and the tariffs resulting from Docket No. 05-0159 into a**
189 **completely new Schedule of Rates?**

190 A. ComEd is proposing two major modifications of its Schedule of Rates that, when
191 combined, will serve to implement its proposal in this Docket as well as Docket
192 No. 05-0159 and phase out its existing Schedule of Rates and its existing Information and
193 Requirements for the Supply of Electricity. These proposals are detailed in ComEd
194 Exs. 10.1 and 10.2.

195 • **New Tariffs:** ComEd Ex. 10.1 contains ComEd’s proposed new tariff sheets
196 filed in this proceeding that, together with those proposed tariffs filed by ComEd
197 in Docket No. 05-0159 on February 25, 2005, comprise ComEd’s proposed new
198 Schedule of Rates that will be operational for the post-transition period.

199 • **Revisions to Existing Tariffs:** ComEd Ex. 10.2 contains ComEd’s proposed
200 tariff sheet revisions filed in this proceeding that serve to limit the effectiveness of
201 ComEd’s existing Schedule of Rates through the end of the mandatory transition
202 period.

203 Therefore, at the conclusion of this proceeding, which will occur prior to the end of the
204 mandatory transition period, the tariff sheets included in ComEd Exs. 10.1 and 10.2 are
205 proposed to become effective, and ComEd will make a compliance filing that will
206 incorporate amendments to these tariffs in order to comply with the Commission’s final
207 order in this proceeding. These tariffs, together with the tariffs approved in Docket

208 No. 05-0159 will serve two purposes. First, they will allow ComEd’s current set of rates
209 (*i.e.*, those in ComEd Ex. 10.2) to remain in effect until they expire on their own terms at
210 the end of the mandatory transition period. Second, they will allow ComEd’s post-
211 transition period set of rates (those in ComEd Ex. 10.1, as amended, together with those
212 tariffs approved in Docket No. 05-0159) to be in effect concurrently with ComEd’s
213 current set of rates and, for all practical purposes, to become operational at the end of the
214 mandatory transition period. However, after the mandatory transition period ends, those
215 tariffs identified in ComEd Ex. 10.2 will remain in ComEd’s Schedule of Rates, but will
216 no longer be operational. Therefore, ComEd proposes that the Commission, in its order
217 in this proceeding, direct ComEd to file a new Schedule of Rates with a new schedule
218 number (*e.g.*, Schedule ILL. C.C. No. “XX”) within a reasonably short period of time
219 after the mandatory transition period ends (*e.g.*, within eight months) to supersede all of
220 ComEd’s then-effective tariffs and replace them with a new set of tariffs that duplicates
221 the then-effective tariffs that will remain operational in the post-transition period.
222 ComEd Ex. 10.3 provides a summary list of new tariffs proposed in this proceeding and
223 includes a corresponding reference to the existing tariffs being replaced. ComEd
224 Ex. 10.4 contains a summary list of tariffs being replaced and includes a corresponding
225 reference to the proposed tariffs.

226 In addition, to facilitate a customer’s ability to locate information in the new Schedule of
227 Rates, ComEd requests that the Commission’s order in this proceeding provide a variance
228 to the tariff sheet numbering requirements contained in 83 Illinois Administrative Code
229 255.30(c), and instead, allow ComEd to file its new post-2006 Schedule of Rates (*i.e.*,
230 Schedule ILL. C.C. No. “XX”) using the proposed tariff sheet numbering structure shown
231 in ComEd Ex. 10.5. ComEd’s proposed tariff sheet numbering structure is designed to

232 allow ComEd’s post-2006 Schedule of Rates to be easily segmented into four logical
 233 groupings of tariffs (*i.e.*, General, Rates, Riders, and General Terms and Conditions).
 234 The variance ComEd requests is to allow a segment identifier to be included as part of the
 235 tariff sheet number and allow consecutive sheet numbers to be used within each of the
 236 four segments.

237 **III. THE BASIC ELECTRIC SERVICE OR “BES” TARIFFS**

238 **Q. Would you list ComEd’s proposed BES tariffs?**

239 A. ComEd is proposing six BES tariffs:

- 240 1. **Rate BES-R** – Basic Electric Service—Residential (“Rate BES-R”) for all
 241 residential customers;
- 242 2. **Rate BES-NRB** – Basic Electric Service—Nonresidential (Blended) (“Rate
 243 BES-NRB”) for small load and medium load nonresidential customers (excluding
 244 self-generating customers and competitively declared customers);
- 245 3. **Rate BES-NRA** - Basic Electric Service—Nonresidential (Annual) (“Rate
 246 BES-NRA”) for large load and very large load nonresidential customers
 247 (excluding self-generating customers and competitively declared customers);
- 248 4. **Rate BES-H** - Basic Electric Service—Hourly (“Rate BES-H”) for self-
 249 generating customers, competitively declared customers, any other customers that
 250 voluntarily elect hourly pricing service from ComEd, and for certain defined
 251 customers with large loads that fail to make alternative supply arrangements after
 252 giving ComEd notice of its intent to do so or in other defined situations in which
 253 such customers fail to make or retain alternative supply arrangements;
- 254 5. **Rate BES-L** - Basic Electric Service—Lighting (“Rate BES-L”) for all lighting
 255 customers and electric service provided for fixture-included lighting for private
 256 outdoor use; and
- 257 6. **Rate BES-RR** - Basic Electric Service—Railroad (“Rate BES-RR”) for electric
 258 railroad customers.

259 **Q. Do the proposed BES tariffs provide a bundled electric service offering for every**
 260 **customer in ComEd’s service territory?**

261 A. Yes.

262 **Q. Would you describe those features that are common to all of the BES tariffs**
 263 **proposed in this case?**

264 A. All of the BES tariffs are structured in a similar fashion and are very straightforward in
 265 nature. Specifically, with the exception of the Supply Administration Charge, the factors
 266 for uncollectibles adjustments, and the factor to adjust for losses under ComEd's
 267 proposed Rate BES-H, specific values for charges are not listed in the BES tariff sheets.
 268 Rather, the specific values for charges are included in the BES tariffs through references
 269 to other tariffs. For example, the specific values of:

- 270 • Customer Charges, Standard Metering Service Charges, and Distribution
 271 Facilities Charges are included through references to Rate RDS;
- 272 • Transmission Services Charges are included through references to Rider TS-CPP;
- 273 • Supply Charges, Accuracy Assurance Factor, Capacity Supply Charges, Hourly
 274 Energy Supply Charges, as applicable, are included through references to
 275 Rider CPP; and
- 276 • Charges for nonstandard services and facilities and nonstandard meter-related
 277 facilities and other generally applicable charges are incorporated by reference to
 278 other applicable tariffs.

279 In addition, generally applicable definitions and provisions in the BES tariffs reference
 280 those contained in ComEd's proposed General Terms and Conditions.

281 **Q. Would you describe the BES tariff that ComEd proposes for residential customers?**

282 A. ComEd proposes that Rate BES-R apply to residential bundled electric service customers
 283 currently served under the following residential rates:

- 284 • Rate 1 – Residential Service (“Rate 1”)

- 285 • Rate 1DR – Residential Service – Time of Day (“Rate 1DR”)
 - 286 • Rate 1H – Residential Service – Add On Heat Pump Customers (“Rate 1H”)
 - 287 • Rate 14 – Residential Service – Space Heating Customers (“Rate 14”)
- 288 Rate BES-R applies to the residential customer delivery class, as defined later in this
 289 testimony, but does not apply to any residential customer that elects to be served under
 290 Rate BES-H or Rate RDS. (Certain building general service accounts will be reclassified
 291 from residential to nonresidential status.) The classification of these accounts as
 292 residential under existing rates was discussed in Docket No. 05-0159 and ComEd agreed
 293 to reclassify these accounts as nonresidential. (See CES Ex. 3.0, lines 535-62 and
 294 ComEd Ex. 13.0, lines 1280-86, respectively, filed in Docket No. 05-0159.) The Supply
 295 Charges referenced in Rate BES-R are those from the blended or CPP-B auction segment
 296 as described in proposed Rider CPP. (See ComEd Ex. 7.0 filed in Docket No. 05-0159
 297 for more detail on the CPP-B auction segment.)

298 **Q. Would you describe the BES tariffs that ComEd proposes for nonresidential**
 299 **customers?**

300 A. ComEd proposes two bundled service tariffs for most nonresidential customers.

- 301 1. Proposed Rate BES-NRA
- 302 2. Proposed Rate BES-NRB

303 Proposed Rate BES-NRA and Rate BES-NRB replace the following rates and those
 304 riders that are available only when taken in conjunction with the rates listed below:

- 305 • Rate 6 – General Service (“Rate 6”)

306 • Rate 6L – Large General Service (“Rate 6L”) (for customers whose service has
307 not been declared competitive, generally those with load under 3 MW)

308 • Rate 24 – Water-Supply and Sewage Pumping Service (“Rate 24”)

309 • Rate 87 – Governmental Service – Certain Rockford Customers (“Rate 87”)

310 Rate BES-NRA applies to customers in the Large Load Customer Group and the Very
311 Large Load Customer Group, as those groups are defined in the proposed General Terms
312 and Conditions. Rate BES-NRB applies to customers in the Watt-Hour Customer Group,
313 Small Load Customer Group, and Medium Load Customer Group, as those groups are
314 defined in the proposed General Terms and Conditions. Please refer to the Direct
315 Testimony of Mr. Paul R. Crumrine, ComEd Ex. 9.0, for a more complete discussion of
316 Rate BES-NRA and Rate BES-NRB.

317 **Q. Would you describe ComEd’s proposed BES tariff for customers taking bundled**
318 **electric service with hourly energy pricing?**

319 A. Rate BES-H is applicable to (1) customers in the Competitively Declared Customer
320 Group, as defined in General Terms and Conditions, (2) customers in the Self-Generating
321 Customer Group, as defined in General Terms and Conditions, (3) customers that
322 voluntarily elect to take this service by an affirmative election (4) certain defined
323 customers with large loads, that fail to make alternative supply arrangements after giving
324 ComEd notice of their intent to do so, or (5) in other defined situations in which such
325 customers fail to make or retain alternative supply arrangements. With respect to the
326 charges for supply, Rate BES-H incorporates charges from the CPP-H auction as
327 determined through Rider CPP. This will include a Capacity Supply Charge and Hourly
328 Energy Supply Charges as defined in Rate BES-H.

329 **Q. Would you explain how the Capacity Supply Charge in proposed Rate BES-H is**
330 **calculated?**

331 A. Under proposed Rate BES-H, the Capacity Supply Charge is applicable to the Capacity
332 Obligation (“CO”) established by the retail customer. The Capacity Supply Charge for a
333 monthly billing period is equal to the customer’s CO for the monthly billing period
334 multiplied by (1) the Hourly Auction Supply Charge (“HASC”) and (2) a factor to adjust
335 for supply-related uncollectible costs incurred by ComEd. The HASC is computed in
336 accordance with the provisions of Rider CPP.

337 **Q. Would you explain how a retail customer’s CO is determined for purposes of**
338 **applying the Capacity Supply Charge in proposed Rate BES-H?**

339 A. CO is defined in the Definitions part of ComEd’s proposed General Terms and
340 Conditions. A retail customer’s CO is determined consistent with the methodology that
341 the PJM Interconnection L.L.C. (“PJM”) uses to determine the Capacity Obligation
342 imposed under the applicable PJM Reliability Assurance Agreement. An illustrative
343 example showing the determination of a retail customer’s CO is provided in ComEd
344 Ex. 10.6.

345 **Q. Would you describe ComEd’s proposed BES tariff for lighting customers?**

346 A. Proposed Rate BES-L is applicable to any retail customer in either the Dusk to Dawn
347 Lighting Customer Group or the General Lighting Customer Group that utilizes electric
348 service for purposes as described in ComEd’s proposed General Terms and Conditions.
349 Generally, lighting customers are customers that, among other things, operate a public
350 street lighting system, traffic signal lighting system, or dusk to dawn lighting of private or
351 public areas.

352 The Supply Charges in Rate BES-L reference the CPP-B auction segment in Rider CPP.

353 **Q. Would you describe ComEd's proposed BES tariff for railroad customers?**

354 A. Proposed Rate BES-RR is applicable to entities that utilize electricity for traction power
355 purposes to operate electric railroads and for which ComEd is providing bundled electric
356 service. As such, Rate BES-RR is available to the nonresidential customers taking
357 service under either the (1) Electric Service Agreement Between Commonwealth Edison
358 Company and Northeast Illinois Regional Commuter Railroad Corporation, dated June 1,
359 1986, as amended, or (2) Electric Service Agreement Between Commonwealth Edison
360 Company and Chicago Transit Authority, dated August 1, 1958, as amended.

361 Similar to the other BES tariffs, Rate BES-RR incorporates distribution and other
362 generally applicable charges through references to Rate RDS and other generally
363 applicable tariffs. In addition, Rate BES-RR provides two sets of transmission-related
364 and supply-related charges. One set, the CPP-A Charges, is generally applicable except
365 for certain defined situations for which the second set, the CPP-H Charges become
366 applicable. Such defined situations for which the CPP-H Charges become applicable
367 include, (a) the situation in which a railroad customer fails to make alternative supply
368 arrangements after giving ComEd notice of its intent to do so, or (b) the situation in
369 which a railroad customer is taking alternative supply and fails to retain such alternative
370 supply arrangements, or (c) the situation in which a railroad customer self-generates
371 electricity, or (d) the situation in which a railroad customer elects the CPP-H Charges.

372 **Q. Are there any values specifically stated for charges in the BES tariffs that are not**
373 **incorporated by reference to other tariffs?**

374 A. Yes. The value of the Supply Administration Charge is stated in each BES tariff. This
375 charge recovers costs associated with supply related administration for customers taking
376 service on the bundled electric service rates. These costs are comprised of costs
377 associated with energy acquisition and contract administration identified by ComEd's
378 Energy Acquisition department and ComEd's Electric Supplier Services Department,
379 respectively, including associated administrative and general ("A&G") costs. As
380 discussed below, a monthly Supply Administration Charge has been developed that
381 varies depending upon which bundled electric service rate applies. The calculation of
382 these charges, along with assumptions included in those calculations, is included in
383 ComEd Ex. 10.7.

384 ComEd also proposes to apply specific uncollectibles adjustment factors to Supply
385 Charges as described in the BES tariffs in order to recover supply-related uncollectibles
386 costs. ComEd has proposed a specific uncollectibles adjustment factor for the residential
387 sector, the portion of the nonresidential sector generally applicable to customers with
388 demands up to and including 1,000 kW, the portion of the nonresidential sector generally
389 applicable to customers with demands over 1,000 kW, and the lighting sector and railroad
390 customers. This calculation can be found in ComEd Ex. 10.8.

391 Finally, Rate BES-H and the CPP-H Charges section of Rate BES-RR also include a
392 factor to adjust Hourly Energy Supply Charges for distribution and transmission line
393 losses.

394 **Q. How did ComEd calculate the proposed uncollectible adjustment factors?**

395 A. Each of the four uncollectible adjustment factors was determined by dividing the 2004
396 uncollectibles for the subject group of customers (normalized to the total uncollectibles

397 reported on FERC Form 1, Account 904) by the amount of 2004 base rate revenue for
398 that group (excluding the 2004 normalized uncollectibles for that group).

399 **Q. You previously mentioned that the Supply Administration Charges have been**
400 **developed to vary depending upon which bundled electric service rate applies.**
401 **Please explain.**

402 We note that the Supply Administration Charges applicable to nonresidential customers
403 taking service under Rider PPO-MVM will be the same as the Supply Administration
404 Charges under the corresponding bundled electric service rate, either Rate BES-NRA or
405 Rate BES-NRB. The Supply Administration Charge under Rate BES-L is the same as
406 the Supply Administration Charge for Rate BES-NRB and the Supply Administration
407 Charge for Rate BES-RR is the same as the Supply Administration Charge for Rate
408 BES-NRA. Finally, the Supply Administration Charge for residential customers that
409 elect service under Rate BES H is the same as the Supply Administration Charge for Rate
410 BES-R. Likewise, the Supply Administration Charge under Rate BES-H is the same as
411 the Supply Administration Charge for Rate BES-NRB if the customer's otherwise
412 applicable rate is Rate BES-NRB. In all other cases, the Supply Administration Charge
413 under Rate BES-H is the same as the Supply Administration Charge for Rate BES-NRA.

414 **IV. RATE RDS – RETAIL DELIVERY SERVICE (“RATE RDS”)**

415 **A. PROPOSED CHANGES TO COMED’S CURRENT DELIVERY SERVICE**
416 **TARIFF**

417 **Q. How does ComEd’s proposed Rate RDS differ from ComEd’s current Rate RCDS –**
418 **Retail Customer Delivery Service (“Rate RCDS”)?**

419 A. Proposed Rate RDS is very similar to ComEd's current Rate RCDS. The primary
420 differences between these tariffs relate to:

- 421 • the consolidation and restructuring of delivery classes as described later in our
422 testimony;
- 423 • the renaming and/or restructuring of certain charges (*i.e.*, the Point of Supply
424 Charge for railroad customers is renamed and restructured as the Customer
425 Charge, the Monthly Charge Per Unit of Special Equipment for Fixture-Included
426 Lighting customers is renamed as Distribution Facilities Charge and designated as
427 Other Lighting Equipment in the list of Distribution Facilities Charges for
428 Fixture-Included Lighting);
- 429 • specific charges in Rate RDS are updated to reflect the new revenue requirement,
430 consolidation and restructuring of delivery classes, restructuring of certain
431 charges, and an updated cost of service study;
- 432 • other non-revenue requirement charges also are updated (*i.e.*, Single Bill Credit,
433 Split Load DASR Fees and the Nonstandard Switching Fee);
- 434 • the basis for Maximum Kilowatts Delivered ("MKD"), which is defined in
435 General Terms and Conditions, is changed as described in the Direct Testimony
436 of ComEd witness Mr. Paul R. Crumrine, ComEd Ex. 9.0 (*i.e.*, the customer's
437 24-hour demand is utilized rather than the customer's peak period demand in
438 determining the MKD);
- 439 • definitions and generally applicable provisions have been moved to General
440 Terms and Conditions; and
- 441 • cross-references to other new tariff names, etc. have been updated.

442 **B. RATE DESIGN**

443 **Q. What are the charges contained in Rate RDS?**

444 A. Rate RDS contains the following charges:

- 445 • Customer Charge;
- 446 • Standard Metering Service Charge;
- 447 • Distribution Facilities Charge; and

- 448 • Other charges with specific prices listed for the following items:
- 449 — a proposed Single Bill Credit applicable to each bill of those retail delivery
450 service customers receiving electric power and energy from a Retail
451 Electric Supplier (“RES”) that is providing billing of ComEd’s delivery
452 service under Rider SBO7 - Single Bill Option 2007 (“Rider SBO7”).
453 This amount is restated in Rider SBO7 for informational purposes to
454 ensure that a RES providing such billing is informed of the credit amount
455 that ComEd applies to the bills of retail customers under such
456 circumstances;
- 457 — the Split Load DASR Fees (meter by meter, percentage of customer load,
458 or first through the meter); and
- 459 — the Nonstandard Switching Fee.
- 460 • Other proposed charges that have no specific prices listed, but which are
461 incorporated by reference to other tariffs, for the following items:
- 462 — Transmission Services Charge, which incorporates a reference to
463 applicable Federal Energy Regulatory Commission (“FERC”) tariffs;
- 464 — Nonstandard Services and Facilities Charge, which is incorporated by
465 reference to ComEd’s Rider NS – Nonstandard Services and Facilities
466 (“Rider NS”);
- 467 — Nonstandard Meter-Related Facilities Charge, which is incorporated by
468 reference to the Company’s Rider ML;
- 469 — Rate RDS also incorporates other generally applicable charges contained
470 in its Schedule of Rates through the provision for Other Generally
471 Applicable Charges; and
- 472 — Late Payment Charge, which is incorporated by reference to ComEd’s
473 proposed General Terms and Conditions.

474 **Q. What is the monthly Customer Charge in proposed Rate RDS and its purpose?**

475 A. The Customer Charge is a fixed monthly charge that recovers the costs incurred by
476 ComEd that do not vary by the amount of electricity delivered to customers. These costs
477 include all costs related to billing, payment processing, and other customer services and

478 certain costs associated with uncollectible accounts. (*See* Direct Testimony of Alan C.
479 Heintz, ComEd Ex. 11.0, and ComEd’s embedded cost of service study (“ECOSS”),
480 ComEd Ex. 11.1.) It is important to note that recently, with respect to the delivery
481 service rate, the costs for metering service were segmented from other customer-related
482 costs and used to derive a separate Standard Metering Service Charge.

483 **Q. What is the Standard Metering Service Charge in proposed Rate RDS and its**
484 **purpose?**

485 A. The Standard Metering Service Charge recovers costs that ComEd incurs with respect to
486 the provision of standard metering service. Standard metering services costs include, but
487 are not limited to, the costs of the meter, meter reading, and associated services. (*See*
488 Direct Testimony of Alan C. Heintz, ComEd Ex. 11.0, and the ECOSS, ComEd Ex.
489 11.1.) The Standard Metering Service Charge is applicable to customers taking service
490 under Rate RDS that take metering service from ComEd. Customers taking service under
491 Rate RDS that choose a Metering Service Provider (“MSP”) as described in Rate MSPS7
492 to provide their Metering Service are not charged the Standard Metering Service Charge.
493 The Standard Metering Service Charge applies to all customers taking service under the
494 BES bundled service tariffs through their references to Rate RDS. The Standard
495 Metering Service Charge for Rate BES-RR reflects the provision of standard meter-
496 related facilities at a single point of delivery to the railroad customer’s integrated electric
497 track power system. Additional or different meter-related facilities from those provided
498 as standard are provided under the provision of Rider ML.

499 **Q. What is the Distribution Facilities Charge in proposed Rate RDS and its purpose?**

500 A. The Distribution Facilities Charge of Rate RDS recovers the cost of standard distribution
501 facilities and distribution equipment as well as operating and maintenance costs
502 necessary to deliver electric power and energy to retail customers in a standard manner.
503 This charge is calculated using an Equal Percentage of Embedded Cost (“EPEC”)
504 methodology. The determination of the Distribution Facilities Charge for each customer
505 class is contained in ComEd Ex. 10.9.

506 **Q. What is the EPEC methodology by which the specific charges proposed for the**
507 **Customer Charge, the Standard Metering Service Charge, and the Distribution**
508 **Facilities Charge of Rate RDS were determined?**

509 A. ComEd Ex. 10.9 is the rate design spreadsheet that ComEd used to determine the
510 Customer Charge, the Standard Metering Service Charge, and the Distribution Facilities
511 Charge for each delivery class of Rate RDS using the EPEC methodology. The proposed
512 rate design sets each individual rate component at an equal percentage of the
513 corresponding embedded cost unit charge for most of the classes. (This is based on the
514 ECOSS found in ComEd Ex. 11.1) This approach is modified slightly for the Fixture-
515 Included Lighting, Dusk to Dawn Lighting, and General Lighting Delivery Classes. The
516 Fixture-Included Lighting Delivery Class does not have a proposed rate component to
517 allow for the recovery of customer-related costs. Consequently, the recovery of
518 customer-related costs is included in the Distribution Facilities Charge proposed for the
519 Fixture-Included Lighting Delivery Class. Similarly, neither the Dusk to Dawn nor the
520 General Lighting Delivery Class have a proposed rate component to allow for the
521 recovery of customer-related costs. Consequently, for each of these classes the recovery

522 of customer-related costs is included in the Distribution Facilities Charge proposed for
523 the class, as applicable.

524 The resulting unit charges for Customer Charge, the Standard Metering Service Charge,
525 and the Distribution Facilities Charge for each delivery class of Rate RDS shown in the
526 rate design spreadsheet are based on ComEd's revenue requirement of \$1,895,546,000
527 and weather-adjusted 2004 test year billing determinants. (As reported in Part 285.5025,
528 Schedule E-4.) ComEd Ex. 10.9 consists of two pages. The first page shows the revenue
529 requirement assignments and resulting charges for the residential and nonresidential
530 delivery classes. The second page shows the revenue requirement assignments and
531 resulting charges for the Fixture-Included Lighting, the Dusk to Dawn Lighting and the
532 General Lighting Delivery Classes, as well as ComEd's overall proposed revenue
533 amounts.

534 Both pages of ComEd Ex. 10.9 include two additional columns of information that
535 summarize the kilowatt-hour consumption of each delivery class and the overall cost per
536 kilowatt-hour of the proposed rate design for each delivery class. For the demand-based
537 delivery classes, the overall cost per kilowatt-hour shows that the proposed delivery
538 service charges result in a relatively smooth declining cost per kilowatt-hour as a function
539 of increasing kilowatt demand.

540 **Q. What is the proposed Distribution Facilities Charges of Rate RDS for customers in**
541 **the Fixture-Included Lighting Delivery Class?**

542 A. There are three groups of Distribution Facilities Charges in Rate RDS for the
543 Fixture-Included Lighting Delivery Class (*i.e.*, public street lighting fixtures, private
544 outdoor lighting fixtures, and other equipment). The proposed Distribution Facilities

545 Charge of Rate RDS for public street lighting fixtures and private outdoor lighting
546 fixtures is a fixed monthly charge per fixture that is designed to recover costs incurred by
547 ComEd for the furnishing, installing, and maintaining of such fixtures, as well as other
548 delivery service costs. ComEd has proposed to update the previously approved
549 Distribution Facilities Charge for each of the ten fixtures available from ComEd for
550 public street lighting, as well as for each of the six fixtures available from ComEd for
551 private outdoor lighting. The proposed Distribution Facilities Charge of Rate RDS for
552 other equipment (*e.g.*, mounting brackets, post top luminaires, or acorn style luminaires
553 requested by public street lighting customers) replaces the Monthly Charge Per Unit of
554 Special Equipment that was previously contained in Rate RCDS. The proposed charge is
555 an update of the previously approved fixed monthly charge designed to recover the cost
556 of furnishing, installing and maintaining such other equipment. ComEd has proposed a
557 separate updated charge for each of the four types of other lighting equipment available
558 from ComEd. The determination of these updated charges is described in ComEd
559 Ex. 10.9.

560 **Q. What is the proposed Customer Charge in Rate RDS for Railroad customers?**

561 A. The proposed Customer Charge of Rate RDS for Railroad customers is similar to the
562 Point of Supply Charge contained found in Rate RCDS in that it is a fixed charge per
563 month. In the previous ComEd delivery service proceedings (Docket Nos. 99-0117 and
564 01-0423), the Point of Supply Charge was determined on the basis of and assessed for
565 each point of supply, which is a railroad customer's traction power substation site. In this
566 proceeding, ComEd proposes to determine and assess this charge in a manner similar to

567 other delivery service customer classes and therefore proposes to rename this charge as
568 Customer Charge.

569 **Q. What is the proposed Single Bill Credit contained in Rate RDS?**

570 A. The proposed Single Bill Credit contained in Rate RDS is an update of the currently
571 effective embedded cost based fixed credit, the Single Bill Credit, using the previously
572 approved methodology in ComEd's last delivery service rate case, Docket No. 01-0423.
573 The proposed Single Bill Credit is applied to each bill of those retail customers receiving
574 electric power and energy from a RES that is providing billing of ComEd's delivery
575 service under Rider SBO7.

576 **Q. How was the specific proposed Single Bill Credit amount of Rate RDS determined?**

577 A. ComEd Ex. 10.10 shows how the proposed Single Bill Credit of Rate RDS was
578 determined. It shows that ComEd's total embedded cost of processing bills, from
579 ComEd's ECOSS (ComEd Ex. 11.1), is \$33,518,853 and that ComEd issued
580 46,463,717 bill statements in 2004. The Single Bill Credit of \$0.72 is the result of
581 dividing the embedded cost of processing bills by the number of bill statements issued.

582 **Q. What are the proposed Split Load DASR Fees of Rate RDS?**

583 A. The proposed Split Load DASR Fees of Rate RDS are updates of previously approved
584 fixed charges per transaction that are designed to recover costs incurred by ComEd to
585 manually process a DASR for a retail customer that splits its load among the supply
586 options as set forth in Rate RDS. To properly reflect the differences in costs to process
587 DASRs for load splits by meter versus load splits by percentage or by first through the
588 meter, ComEd proposes to retain a separate updated Split Load DASR Fee for load splits

589 by meter versus load splits by percentage or by first through the meter. ComEd Ex. 10.11
590 shows how these updated charges were determined.

591 **Q. What is the proposed Nonstandard Switching Fee of Rate RDS?**

592 A. The proposed Nonstandard Switching Fee of Rate RDS is an update of the previously
593 approved charge. This charge is designed to recover costs incurred by ComEd in the
594 event that a nonresidential retail customer switches to a different provider of electric
595 power and energy supply service with such switch effective on a date other than
596 ComEd's normally scheduled meter reading or billing cycle date for such retail customer
597 and such nonstandard switch requires ComEd to visit the customer's premises to read
598 Company-provided meters that do not record meter usage data on a half-hour interval
599 basis. The proposed updated Nonstandard Switching Fee is applied on the basis of the
600 number of ComEd-provided meters that are read on each visit to the retail customer's
601 premises. Separate updated Nonstandard Switching Fee charges are provided for the first
602 meter read and each additional meter read on the same visit to the retail customer's
603 premises. ComEd Ex. 10.12 shows how this charge was determined.

604 **Q. Is the Point-to-Point DASR Fee being eliminated from RDS?**

605 A. Yes. To date, ComEd has never received a point-to-point DASR. Consequently, rather
606 than program its billing system for a charge that is likely to never be applied, ComEd
607 proposes to eliminate the charge.

608 **Q. How were the proposed distribution loss factors shown in Rate RDS determined?**

609 A. ComEd performed a Distribution Loss Study for the year 2003 and from that study
610 ComEd determined distribution losses attributable to each delivery class for each hour of

611 the year. The resulting class distribution losses and corresponding class loads were
612 totaled for the entire year. Distribution Loss Factors were calculated by dividing the
613 annual distribution losses by the corresponding annual class load. The summary of these
614 results is included as ComEd Ex. 10.13.

615 **Q. Are transmission losses included in the distribution loss factor determination**
616 **described above?**

617 A. No.

618 **Q. Is ComEd's energy use in its business offices and buildings part of distribution**
619 **losses?**

620 A. No.

621 **Q. Would you provide a summary of how ComEd proposes to consolidate and**
622 **restructure its existing customer classes for Rate RDS in the post-2006**
623 **environment?**

624 A. ComEd used the existing delivery service customer classes as the basis from which to
625 determine the delivery classes for post-2006.² Accordingly, for the residential sector,
626 ComEd proposes to:

- 627 1. Consolidate the current four non-lighting residential delivery service customer
628 classes into one Residential Delivery Class and thereby;
- 629 a. discontinue use of the space heating designation; and
- 630 b. discontinue the single family / multi family differentiation.

² ComEd Ex. 9.0 provides more detail on the proposed delivery classes.

- 631 2. Consolidate the current “Fixture-Included Lighting Residential Delivery Service
632 Customers” class with the “Fixture-Included Lighting Nonresidential Delivery
633 Service Customers” class in a separate new “Fixture-Included Lighting Delivery
634 Class.”

635 For the nonresidential sector, ComEd proposes to:

- 636 1. Rename the “With Only Watt-hour Only Meters” delivery service customer class
637 as “Watt-Hour Delivery Class.”
- 638 2. Replace the current nine peak period demand-based delivery service customer
639 classes listed in Table 1 with the four 24-hour demand-based delivery classes as
640 listed in Table 2.

641 **Table 1: Current Demand-Based Delivery Service Customer Classes**

0 kW up to and Including 25 kW
Over 25 kW up to and Including 100 kW
Over 100 kW up to and Including 400 kW
Over 400 kW up to and Including 800 kW
Over 800 kW up to and Including 1,000 kW
Over 1,000 kW up to and Including 3,000 kW
Over 3,000 kW up to and Including 6,000 kW
Over 6,000 kW up to and Including 10,000 kW
Over 10,000 kW

642

643 **Table 2: Proposed Demand-Based Delivery Classes**

Small Load Delivery Class³
(nonresidential 0 kW up to and including 100 kW)
Medium Load Delivery Class³
(nonresidential over 100 kW up to and including 400 kW)
Large Load Delivery Class³
(nonresidential over 400 kW up to and including 1,000 kW)
Very Large Load Delivery Class³
(nonresidential over 1,000 kW)

³ Customers not otherwise classified as Watt-Hour Delivery Class, High Voltage Delivery Class, Railroad Delivery Class, or any of the three lighting delivery classes.

- 644 3. Rename the “Railroad Delivery Service Customers” delivery service customer
645 class as “Railroad Delivery Class.”
- 646 4. Subsume the existing “Delivery Service Pumping Customers” class into the
647 Watt-Hour Delivery Class or the four new 24-hour demand-based delivery classes
648 based on treating each individual pumping station premises as a separate
649 nonresidential delivery service customer.
- 650 5. Create a new “High Voltage Delivery Class” (at and above 69,000 Volts).

651 For the lighting sector, ComEd proposes to:

- 652 1. Consolidate the current “Fixture-Included Lighting Residential Delivery Service
653 Customers” class with the “Fixture-Included Lighting Nonresidential Delivery
654 Service Customers” class in a separate new “Fixture-Included Lighting Delivery
655 Class,” as described previously in the residential subsection of this answer.
- 656 2. Rename the “Street Lighting Delivery Service Customers - Dusk To Dawn”
657 customer class as “Dusk to Dawn Lighting Delivery Class.”
- 658 3. Rename the “Street Lighting Delivery Service Customers - All Other Lighting”
659 customer class as “General Lighting Delivery Class.”

660 **Q. Would you list the proposed retail delivery classes as they are defined for use in the**
661 **embedded cost of service study in this proceeding and in the post-2006 bundled and**
662 **unbundled electric service tariffs?**

663 A. The following eleven (11) customer classes are defined in ComEd’s proposed tariffs for
664 the provision of bundled and unbundled electric service to retail customers beginning
665 January 2, 2007:

- 666 • Residential Delivery Class
- 667 • Watt-Hour Delivery Class
- 668 • Small Load Delivery Class
- 669 • Medium Load Delivery Class
- 670 • Large Load Delivery Class

- 671 • Very Large Load Delivery Class
- 672 • High Voltage Delivery Class
- 673 • Railroad Delivery Class
- 674 • Fixture Included-Lighting Delivery Class
- 675 • Dusk to Dawn Lighting Delivery Class
- 676 • General Lighting Delivery Class

677 **V. PROPOSED RIDERS**

678 **Q. What is the purpose of this section of your testimony?**

679 A. The purpose of this section of our testimony is to describe ComEd's proposed new riders
680 and post-2006 replacements for existing riders. We have summarized the proposed new
681 riders and changes to the post-2006 replacements for existing riders in ComEd Exs. 10.14
682 and 10.15.

683 ComEd Ex. 10.14 provides a list of those riders with notable changes. (Notable changes
684 are proposed modifications that go beyond housekeeping changes, but may also include
685 housekeeping changes.) In this exhibit we have provided a short description of each rider
686 and a summary of the proposed changes. With the exception of Rider ECR, each of the
687 proposed riders described in ComEd Ex. 10.14 is a continuation of an existing rider as
688 identified in that exhibit. The proposed riders operate in a manner consistent with the
689 current riders, although with the proposed changes identified in ComEd Ex. 10.14. The
690 proposed riders can be found in ComEd Ex. 10.1. In addition, ComEd witness
691 Mr. Crumrine provides support for the changes proposed in ComEd Ex. 10.14, as well as
692 a description and support for ComEd's new proposed Rider ECR. (*See* ComEd Ex. 9.0.)

693 ComEd Ex. 10.15 provides a list of the proposed riders that replace existing riders with
694 only housekeeping changes to the existing riders (*e.g.*, name change, cites to new tariffs,
695 etc.) or modification to charges to reflect the costs as filed in this case. As ComEd is
696 proposing no material changes to the provisions of these riders, with the exception of
697 certain charges as supported by the evidence in this case, ComEd requests that the
698 Commission accept these changes as proposed. As noted above, all of the proposed
699 riders can be found in ComEd Ex. 10.1.

700 **Q. How will the proposed Environmental Cost Recovery Adjustment described in**
701 **Rider ECR be determined?**

702 A. ComEd Ex. 10.16 shows, for illustrative purposes, how the proposed Environmental Cost
703 Recovery Adjustment described in Rider ECR will be determined. The Rider ECR
704 adjustment is a cents per kilowatt hour adjustment (¢/kWh) applicable to each kilowatt-
705 hour delivered to retail customers and is based on the sum of (1) the projected costs
706 incurred during the calendar year for environmental activities; less (2) any net
707 reimbursements for either funds recovered by ComEd for environmental activities less
708 the incremental costs to recover such funds from any sources other than the application of
709 Rider ECR; plus (3) an automatic reconciliation factor equal to the debit or credit balance
710 from the application of Rider ECR charges recovered during the twelve (12) month
711 period ending September 30 prior to such calendar year; divided by the projected energy
712 in kilowatt-hours delivered to retail customers during the calendar year.

713 **Q. How will the proposed Franchise Cost Addition percentages described in**
714 **Rider FCA be determined?**

715 A. ComEd Ex. 10.17 shows, for illustrative purposes, how the proposed Franchise Cost
716 Addition percentages described in Rider FCA will be determined each year. Specifically,
717 ComEd proposes to determine the Rider FCA percentage for each municipality by
718 dividing the municipality's Franchise Requirements for service in the prior calendar year,
719 as filed in ComEd's Form 21 IL CC Annual Report to the ICC, by the billing amounts
720 that are associated with Customer Charges, Standard Metering Service Charges,
721 Distribution Facilities Charges, and monthly rental amounts applied in accordance with
722 Rider NS and Rider ML for service to retail customers in the municipality determined in
723 accordance with ComEd's applicable tariffs for the period in which the FCA will be
724 applied using billing determinant data for such customers during the previous calendar
725 year.

726 **Q. How will the Infrastructure Maintenance Fee described in proposed Rider FCA be**
727 **determined?**

728 A. If a municipality enacts an ordinance that imposes an infrastructure maintenance fee on
729 ComEd, then ComEd will determine the Infrastructure Maintenance Fee to apply for
730 service to ComEd retail customers in such municipality pursuant to the provisions of
731 Electricity Infrastructure Maintenance Fee Law.

732 **Q. How were the proposed Monthly Rental Charges shown in Rider ML determined?**

733 A. ComEd Ex. 10.18 shows how the Monthly Rental Charges shown in Rider ML were
734 determined. ComEd updated Monthly Rental Charges for meter-related facilities
735 provided for in Rider ML using a methodology consistent with the methodology used to
736 determine the currently effective Monthly Rental Charges. An example of the
737 determination of a Monthly Rental Charge is provided on pages 1 and 2 of ComEd

738 Ex. 10.18. These two pages of the exhibit show a step by step computation of the
739 Monthly Rental Charge for a Three Phase Watt-hour Meter: Self-Contained Class 100 or
740 200. The updated costs and other information used for the determination of Monthly
741 Rental Charges for all meter-related facilities shown in Rider ML are provided on the
742 pages 3 through 7 of this exhibit.

743 **Q. How was the proposed primary metering adjustment percentage in Rider PM**
744 **calculated and how is it proposed to be applied?**

745 A. The determination of the primary metering adjustment percentage is shown in ComEd
746 Ex. 10.19. The percentage adjustment amount was determined by calculating the average
747 electrical losses based on average load conditions for transformers purchased by ComEd
748 that are typically used to provide standard service to retail customers eligible for the
749 primary metering adjustment. The Rider PM primary metering adjustment is applied for
750 billing purposes to each thirty-minute measurement of an eligible customer's electric
751 power and energy that is primary metered, as provided in the rider.

752 **Q. How will the IEDT cost component of the proposed Zero Standard Charge in**
753 **Rider ZSS7 be determined?**

754 A. ComEd Ex. 10.20 shows an illustrative example of the determination of the IEDT cost
755 component for a sample retail customer taking service under Rider ZSS7. This cost
756 component is determined based on the retail customer's electric power and energy
757 consumption data in 2004 and the average per kilowatt-hour IEDT rate assessed for
758 ComEd during 2004. For a situation in which insufficient electric power and energy
759 consumption data in 2004 exist for a retail customer taking service under Rider ZSS7,

760 ComEd will determine such retail customer's IEDT cost component based upon the retail
761 customer's expected electric power and energy consumption.

762 **VI. GENERAL TERMS AND CONDITIONS**

763 **Q. Would you summarize the revisions that ComEd proposes for its General Terms**
764 **and Conditions?**

765 A. There are four areas of revision. First, for the proposed new post-2006 Schedule of
766 Rates, ComEd proposes to use the name General Terms and Conditions to distinguish it
767 from the currently-effective Terms and Conditions. ComEd has designed the new
768 post-2006 General Terms and Conditions to include definitions and provisions that are
769 generally applicable to retail customers taking either bundled electric service or
770 unbundled electric service from ComEd such that all these terms and conditions are
771 consolidated in one place.

772 Second, ComEd has incorporated the provisions from its Information and Requirements
773 for the Supply of Electric Service (Schedule ILL. C.C. No. 9) into the new General
774 Terms and Conditions.

775 Third, ComEd has reorganized the information in General Terms and Conditions using
776 the part, section, and subsection format with a cover page showing that organization,
777 consistent with the format adopted for other existing ComEd tariffs and tariffs proposed
778 in this proceeding (*e.g.*, Rate RCDS, Rate MSPS, Rate RESS, Rate RDS, Rate MSPS7,
779 Rate RESS7) based on the agreements reached in the uniformity proceeding, Docket
780 No. 00-0494.

781 Finally, ComEd has revised portions, where necessary, to incorporate consistent language
782 throughout General Terms and Condition, to clarify or modify existing provisions, and to
783 appropriately reference new tariffs and new tariff provision names, as needed.

784 ComEd Ex. 10.21 provides a summary list of notable changes in the new General Terms
785 and Conditions.

786 **Q. How were the fees contained in ComEd's proposed General Terms and Conditions**
787 **determined?**

788 A. The following exhibits show how the various updated fees contained in ComEd's
789 proposed General Terms and Conditions were determined:

- 790 • **ComEd Ex. 10.22** shows how the CATV Power Supply Test Fee was determined.
- 791 • **ComEd Ex. 10.23** shows how the Duplicate Information Fee was determined.
- 792 • **ComEd Ex. 10.24** shows how the Interval Data Fee was determined. This fee
793 replaces the Interval Data Fee that was previously contained in ComEd's Open
794 Access Implementation Plan filed with the ICC in Docket No. 99-0117 and
795 Docket No. 01-0423.
- 796 • **ComEd Ex. 10.25** shows how the Invalid Payment Fee was determined.
- 797 • **ComEd Ex. 10.26** shows how the Reconnection Fee was determined.

798 **VII. MISCELLANEOUS TOPICS**

799 **A. TARIFF CONTRACTS**

800 **Q. Can you explain ComEd's proposal with respect to customers taking service under**
801 **tariff contracts?**

802 A. The City of Chicago and the Chicago Park District currently have bundled electric
803 service contracts with ComEd that encompass mostly lighting services. These contracts

804 are on file with the Commission as tariffs. Consistent with ComEd’s approach to
805 unbundle the pricing of its bundled electric service components, ComEd is proposing to
806 unbundle the pricing in these contracts.

807 In addition, the Northeast Illinois Regional Commuter Railroad Corporation and the
808 Chicago Transit Authority have bundled electric service contracts with ComEd, which
809 are also on file with the Commission as tariffs. ComEd’s proposed treatment of these
810 railroad contracts has been described above in the discussion of Rate BES-RR.

811 Accordingly, ComEd is proposing amendments to the “pricing sections” of each of these
812 tariff contracts to include the “sunset date” provision similar to the provision being
813 incorporated to all of the other legacy tariffs. These amendments are included in ComEd
814 Ex. 10.2. Pricing of bundled electric service for these customers will be determined
815 based on the applicable BES tariff.

816 **B. RATE RESS7 AND RATE MSPS7**

817 **Q. Please describe Rate RESS7 and Rate MSPS7.**

818 A. These rates replace the current Rate RESS and MSPS. Rate RESS7 and Rate MSPS7
819 address certain housekeeping changes to reflect changes to the names of other tariffs,
820 remove generally applicable provisions that have been moved to General Terms and
821 Conditions, and reflect ComEd’s integration into PJM.

822 **Q. How were the charges contained in ComEd’s proposed Rate MSPS7 determined?**

823 A. The following exhibits show how the various updated charges contained in ComEd’s
824 proposed Rate MSPS7 were determined:

- 825 • **ComEd Ex. 10.27** shows how the Meter Reading Charges were determined.

826 • **ComEd Ex. 10.28** shows how the Metering Equipment Removal Charges were
827 determined.

828 • **ComEd Ex. 10.29** shows how the MSP-Requested Work Charges were
829 determined.

830 **C. RIDER 8 – ALLOWANCE FOR CUSTOMER-OWNED TRANSFORMER**

831 **Q. What is ComEd’s proposal with respect to Rider 8?**

832 A. ComEd proposes to discontinue Rider 8.

833 **Q. How does ComEd propose to serve Rider 8 customers in the Post-2006 period?**

834 A. Approximately 200 customers are served under Rider 8. ComEd proposes to serve these
835 customers under the applicable BES tariff and make the same standard distribution
836 facilities available to such customers as customers with similar load characteristics.

837 **D. RIDER IFC – INSTRUMENT FUNDING CHARGE (“IFC”) AND**
838 **RIDER 31 – DECOMMISSIONING EXPENSE ADJUSTMENT**

839 **Q. What does ComEd propose for Rider IFC - Instrument Funding Charge**
840 **("Rider IFC") and Rider 31 - Decommissioning Expense Adjustment Clause**
841 **("Rider 31")?**

842 A. ComEd has not filed revisions of Rider IFC or Rider 31 in this proceeding because they
843 are existing tariffs that will remain in effect after the post transition period. Rider 31
844 expires on its own terms after the June 2007 monthly billing period and Rider IFC
845 expires on its own terms and under provisions of the Act in December 2008.
846 Consequently, Rider 31 will remain in effect through its expiration before the second
847 compliance filing of ComEd's new Schedule of Rates (Schedule ILL. C.C. No. XX) to be
848 made in August 2007, which ComEd is requesting in this proceeding and which we have
849 previously discussed in our testimony. With respect to Rider IFC, ComEd has added a

850 Rider IFC Designations section in the Retail Customer Categorizations part of General
851 Terms and Conditions to clarify how the existing designations in Rider IFC correspond to
852 the delivery classes and supply groups beginning on January 2, 2007. Thus, Rider IFC
853 will remain in effect in its present form until it is replaced with a duplicate Rider IFC that
854 will be included in ComEd's new Schedule of Rates (Schedule ILL. C.C. No. XX) to be
855 made in August 2007.

856 **E. PUBLIC NOTICE**

857 **Q. Has ComEd prepared the form of public notice for a general rate case as described**
858 **in 83 Illinois Administrative Code Part 255.20?**

859 A. Yes. ComEd Ex. 10.30 provides the form of public notice that ComEd will publish, as
860 described in 83 Illinois Administrative Code Part 255.20.

861 **VIII. CONCLUSION**

862 **Q. Does this conclude your testimony?**

863 A. Yes.