

Commonwealth Edison Company

Uncollectible Expense
2004 Actual
(In Thousands)

Witness: J. Hill

Line No.	Description (A)	2004 Total (B)	2004 Jurisdictional (1) (C)
1	Uncollectible Electric Service Accounts	\$ 36,358	\$ 13,129
2	Other Non-Service Accounts	(1,207)	
3	Uncollectible Wholesale Accounts	<u>1,903</u>	
4	Total Uncollectible Accounts Expense	<u>\$ 37,054</u>	<u>\$ 13,129</u>
5	Outside Collection Agency Expenses (2)	<u>\$ 2,009</u>	<u>\$ 683</u>

Notes:

- (1) Jurisdictional uncollectible accounts expense has been estimated based on the relationship of uncollectible accounts to revenue and estimated 2004 revenue from delivery services rates as applied to all 2004 sales. See WPC-16 for uncollectible expense as a percent of 2004 DST revenue.
- (2) From Page 5.

Commonwealth Edison Company

Uncollectible Expense (1)
(In Thousands)

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<u>Line No.</u>	<u>Description</u> (A)	<u>2004</u> (B)	<u>2003</u> (C)	<u>2002</u> (D)	<u>2001</u> (E)
1	Uncollectible Electric Service Accounts	\$ 36,358	\$ 46,420	\$ 44,370	\$ 41,731
2	Other Non-Service Accounts	(1,207)	(586)	3,916	-
3	Uncollectible Wholesale Accounts	<u>1,903</u>	<u>73</u>	<u>2,398</u>	<u>-</u>
4	Total Uncollectible Expense	<u>\$ 37,054</u>	<u>\$ 45,907</u>	<u>\$ 50,684</u>	<u>\$ 41,731</u>

Note:

- (1) As charged to FERC Account 904, Uncollectible Accounts Expense.

Commonwealth Edison Company**Accumulated Provisions For Uncollectible Electric Service Accounts Receivable (1)**
(In Thousands)Witness: J. Hill

Line No.	Year	Balance at Beginning of Year	Reserve Accrual	Write-offs	Recoveries	Adjustments	Balance at End of Year
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	2001	\$ (55,414)	\$ (42,343)	\$ 71,650	\$ (21,074)	\$ -	\$ (47,181)
2	2002	\$ (47,181)	\$ (42,211)	\$ 93,354	\$ (22,636)	\$ -	\$ (18,674)
3	2003	\$ (18,674)	\$ (48,005)	\$ 67,885	\$ (16,077)	\$ (3)	\$ (14,874)
4	2004	\$ (14,874)	\$ (47,203)	\$ 64,714	\$ (19,299)	\$ 1,148 (2)	\$ (15,514)

Notes:

(1) Excludes accumulated provisions for uncollectible non-service accounts receivable (see Page 4).

(2) Reversal of reserve related to interconnection agreement.

Commonwealth Edison Company**Accumulated Provisions For Uncollectible Non-Service Accounts Receivable (1)**
(In Thousands)Witness: J. Hill

Line No.	Year	Balance at Beginning of Year	Reserve Accrual	Write-offs	Recoveries	Adjustments	Balance at End of Year
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	2001	\$ (12,321)	\$ (7,973)	\$ 10,665	\$ -	\$ 7,334 (2)	\$ (2,295)
2	2002	\$ (2,295)	\$ (6,254)	\$ 3,794	\$ -	\$ -	\$ (4,755)
3	2003	\$ (4,755)	\$ 2,006	\$ 1,303	\$ -	\$ -	\$ (1,446)
4	2004	\$ (1,446)	\$ (1,206)	\$ 2,252	\$ -	\$ -	\$ (400)

Notes:

(1) Excludes accumulated provisions for uncollectible electric service accounts receivable (see Page 3).

(2) Reserve transferred to Accounts Receivable - Associated Companies.

Commonwealth Edison Company

Uncollectible Expense

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Method of Determining Uncollectible Accounts Expense

Uncollectible accounts expense is comprised of two factors:

The first is the actual expense from customer accounts that remain uncollected 90 days after their account has moved to a final status (note that a final status indicates that they are no longer a customer). The second component is the reserve for uncollectible accounts. Each month the reserve is calculated to determine the collectability of the accounts receivable portfolio. This value is compared to the amount reserved in the previous month and the difference used to adjust the actual account expense. This total is then recorded as the total uncollectible accounts expense

Outside Collection Agency Expenses

Total Company expenses for outside collection agencies were \$2,009,300, \$1,287,800, \$1,002,600 and \$2,872,600 for the years 2004, 2003, 2002 and 2001, respectively. The jurisdictional portion of the 2004 total Company amount was \$683,162, based upon the delivery services revenue requirement allocator. See WPA-5, Page 5.

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Summary of Collection Agency Contracts:

ComEd utilizes two forms of collection agencies in its collection process: final bill agencies and charge-off agencies. Final bill agencies receive accounts that have not paid their final bills from ComEd at Day 35 in the collection process stream. These agencies are given 55 days to work the accounts through their processes to attempt collection. If the agency is successful in retrieving money owed, they are paid a commission. If unsuccessful, the account is retrieved by ComEd and charged off (written off). Charge-off agencies receive the charged-off accounts the day after they are written off. Currently, these agencies work the written-off accounts until ComEd retrieves them for some other type of treatment such as debt sale. These agencies differ from final bill agencies in the time frame in which they are allowed to work the accounts, their overall commission incentives and their ability to report delinquent customers to credit bureaus.

Collection Agency Results:

In 2004, 156,000 accounts with a total dollar value of \$59 million were sent to final bill agencies. Approximately 6.4%, or \$3.8 million was collected in 2004.

In 2004, 165,000 accounts with a total dollar value of \$73 million were sent to charge-off agencies. Approximately 4.0%, or \$2.9 million was collected in 2004.