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November 8, 2005

VIA HAND DELIVERY

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CLIENT/MATTER NUMBER
424168-0427

Mr. Glennon P. Dolan
Ms. Katina S. Haloulos
Administrative Law Judges
Illinois Commerce Commission
160 N. LaSalle St., Suite C-800
Chicago, IL 60601-3104

Re: Response to Deficiency Letter

Dear Mr. Dolan and Ms. Haloulos:

This letter is provided in response to your letter dated October 6, 2005 (received by ComEd on October 11, 2005) seeking information and clarification relating to tariffs and documentation provided under Part 285 of the Illinois Administrative Code relating to a general rate increase filed by Commonwealth Edison Company on August 31, 2005. Changes from originally filed schedules and workpapers are shown in bold typeface on the attached schedules and workpapers. For your convenience, attachments are included on the enclosed CD-ROM.

“Section 285.1005 Schedule A-2: Overall Financial Summary.

The schedule does not include the following required information:

- (a) (2) Service operating income at present rates,
- (5) Service operating income at proposed rates,
- (6) Service income deficiency,
- (8) Service revenue increase requested, and
- (9) Service revenue increase including add-on revenue taxes.”

RESPONSE: The required information is included on the attached Schedule A-2 REVISED – page 1 of 1.

“Section 285.2015 Schedule B-2.1: Adjustments to Plant in Service.

- (a) (4) The schedule does not refer to workpapers which support the adjustments.”

RESPONSE: References to workpapers supporting the adjustments to rate base are included on the attached Schedule B-2.1 REVISED – page 1 of 2 .

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“Section 285.2065 Schedule B-7.2: Allowance for Funds Used During Construction.

The schedule does not refer to workpapers which provide information for part (c).”

RESPONSE: A reference to the workpaper that provides detail of AFUDC for the 12 months of the test year under subpart (c) is included on the attached Schedule B-7.2 REVISED – page 1 of 1.

“Section 285.2095 Schedule B-10: Deferred Charges.

Subpart (h) requires that Amortization expense for each deferred charge item be provided. This information was not included on Schedule B-10.”

RESPONSE: The amortization expense for each deferred charge item is included on the attached Schedule B-10 REVISED – pages 1 and 2 of 6.

“Section 285.3010 Schedule C-2: Summary of Utility Proposed Adjustments to Operating Income.

This section requires that the adjustment to remove non-jurisdictional portion, if appropriate, shall be included within the aggregated total adjustment. The adjustment for non-jurisdictional portion is not provided on Schedule C-2.”

RESPONSE: The proposed adjustments assigned to resale municipalities are included on the attached Schedule C-2 REVISED – page 2 of 2.

“Section 285.3015 Schedule C-2.3: Environmental Remediation Expenses.

Schedule C-2.3 references supporting schedules on lines 11-13 for the Income Tax Effects of Above Adjustment; however, the amounts on lines 11-13 cannot be traced to the referenced supporting schedules.”

RESPONSE: References to supporting schedules and workpapers are included on the attached Schedule C-2.3 REVISED – page 1 of 1 and on a new workpaper WPC-2.3, also attached.

“Section 285.3020 Schedule C-3: Sales Statistics.

Page 2, Line 12, columns (E) and (G) are not mathematically correct.”

RESPONSE: Corrected calculations are included on the attached Schedule C-3 CORRECTED – page 2 of 2.

“Section 285.3035 Schedule C-5: Income Taxes.

Page 4 does not present the calculations in detail as required.”

RESPONSE: Detailed calculations are included on the attached Schedule C-5 REVISED – pages 1, 3 and 4 of 5.

“Section 285.3115 Schedule C-11.2: Number of Employees.

Waiver has been granted based on the understanding that Commonwealth Edison acquiesces to provide any and all newly discovered information regarding this matter. Order to follow in Docket 05-0562.”

RESPONSE: The referenced Order has been entered, dated October 19, 2005.

“Section 285.3160 Schedule C-15: Major Maintenance Projects.

The schedule lacks detail or reference to workpapers describing detail. The following information required by 285.3160 (c) is not provided:

- (1) Reason for the project,
- (5) Amount expensed in test year,
- (6) Amount expensed in prior year, and
- (8) Date of last similar maintenance performed on the same facility.”

RESPONSE: Required information is included on the attached Schedule C-15 REVISED – all pages.

“Section 282.3230 Schedule C-25: Add-on Taxes.

Page 1, Line 6 is not mathematically correct.”

RESPONSE: Corrected calculations are included on the attached Schedule C-25 CORRECTED – page 1 of 4.

“Section 285.3235 Schedule C-26 Amortization of Deferred Charges.

Schedule C-26 references Schedule B-10 for the required information. However Schedule B-10, pages 5 and 6 referenced do not include the required data for the test year. The referenced workpapers WB-10, pages 2 and 4 do include some information for the test year, however, all of the required information is not included. A Schedule C-26 should be provided containing all of the information required by this section.”

RESPONSE: Required Information is included on the attached Schedule C-26 REVISED – all pages.

“Section 285.3600 Schedule C-32: Non-Utility Operations.

Subsection (b) (2) Lines 12, 16, 25 do not include the required indication of when the utility began engaging in the non-utility operation.”

RESPONSE: The time frames that ComEd began engaging in Technical Consulting Services, Turnkey Project Implementation, and Third Party Advertising are included on the attached Schedule C-32 REVISED – page 1 of 1.

“Section 285.4010 Schedule D-1: Cost of Capital Summary.

- b) Provide the following supporting work papers and documents:
- 1) Monthly balances for common equity for the most recent calendar or fiscal year through the end of the capital structure measurement period. Utilities using forecasted data that reflect proposed rates shall present both separate monthly balances for common equity at present rates and the monthly change in common equity produced by the proposed rates. Identify actual and forecasted data.

Deficiency: WPD-1 provides quarterly equity balances rather than monthly balances.”

RESPONSE: Requested information is contained on WPD-1 REVISED – page 1 of 2. As a result of that revision, footnote references on Schedule D-1 changed. Therefore, Schedule D-1 REVISED – pages 1 and 2 of 2 are also attached.

“Section 285.4020 Schedule D-2: Cost of Short-term Debt.

- e) Provide the following supporting work papers or documents:
- 2) Portions of documents describing the manner by which interest rates on variable and adjustable rate debt issues are set (e.g., loan agreements);
 - 3) Documents supporting all interest rates;

Deficiency: Footnote 3 on Schedule D-2 states that the interest rates reported represent "prevailing rates" as of 3/30/05. The Company needs to specify what those prevailing rates reflect and to provide documentation supporting those rates.”

RESPONSE: Requested information is contained on WPD-2 expanded to 17 pages. As a result of that revision, also attached is Schedule D-2 REVISED – page 2 of 2.

“Section 285.4030 Schedule D-3: Cost of Long-term Debt.

- d) Additional instructions:
- 1) Provide totals wherever applicable. Provide the embedded cost of long-term debt (subsections (b)(13) and (c)(9)) for totals only.

Deficiency: Not all numbers on Schedule D-3 are visible. (See e.g. Page 3, column F)

- 4) Gains and losses on reacquired debt.
 - A) Net proceeds method. Utilities selecting the net proceeds method shall amortize gains and losses over the remainder of the reacquired or refunding issue's original term to maturity. Gains and losses on reacquired debt shall be listed, by issue, separately from outstanding debt issues, replacing maturity date (subsection (b)(3)) with the conclusion of the amortization period.

Deficiency: This information was included as a workpaper, but not in Schedule D-3 itself.

- e) Provide the following work papers or documents supporting Schedule D-3:
 - 1) For each variable and adjustable rate debt issue provide the following:
 - A) The formulas used to set the interest rate;
 - B) The portions of documents describing the manner by which the interest rate is set (e.g., indentures, loan agreements);
 - C) The documents supporting the interest rate forecast; and
 - D) The dates of interest rate adjustment.

Deficiency: The above information was not provided.

- 4) For each reacquired issue as of the date of its reacquisition, provide the following:
 - D) Call price.

Deficiency: The above information was not provided.”

RESPONSE: Requested information is contained in, Schedule D-3 REVISED -- expanded to 12 pages and WPD-3 REVISED – expanded to 130 pages.

“Section 285.4060 Schedule D-6: Cost of Common Equity Workpapers.

Provide a copy of all work papers and source documents used to estimate the utility’s requested rate of return on common equity. Where a utility is prohibited by a license or otherwise from providing the information to a third-party, and the supplier of the information has refused to allow its disclosure, in lieu of providing the information the utility shall provide the title, date, and publisher of that information.

Incomplete - source documents not provided (Zacks, S&P, Moody’s, Value Line, etc.).”

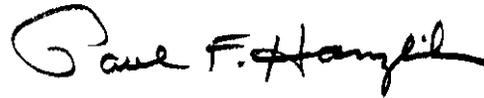
RESPONSE: Attached are workpapers and source documents used to estimate ComEd’s requested rate of return on common equity. These documents are identical to workpapers related to the testimony of Samuel Hadaway which have been available to Staff since the initial filing at ComEd’s offices in accordance with Part 285.150 of the Illinois Administrative Code.

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Please contact me if you have any questions regarding this letter or its attachments.

Sincerely,

A handwritten signature in black ink that reads "Paul F. Hanzlik". The signature is written in a cursive style with a large, looped initial "P".

Paul F. Hanzlik

cc: Elizabeth Rolando, ICC Chief Clerk (w/enclosures)
Thomas G. Aridas, Chief Administrative Law Judge (w/enclosures)
Steve Hickey, ICC Administrative Law Judges Division (w/enclosures)
Gene Beyer, Bureau Chief – ICC Bureau of Public Utilities (w/enclosures)
Joy Nicdao-Cuyugan, Director – ICC Financial Analysis Division (w/enclosures)
John Hendrickson, ICC Financial Analysis Division (w/enclosures)
Mary Selvaggio, Manager – ICC Accounting Department (w/enclosures)