

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

| | | |
|--|---|-------------|
| COMMONWEALTH EDISON COMPANY |) | |
| |) | |
| Proposed general increase in electric rates, |) | No. 05-0597 |
| general restructuring of rates, price unbundling |) | |
| of bundled service rates, and revision of other |) | |
| terms and conditions of service |) | |

PUBLIC

Surrebuttal Panel Testimony of

LAWRENCE S. ALONGI

Manager, Retail Rates

and

TIMOTHY F. MCINERNEY

Senior Rate Specialist

On Behalf of
Commonwealth Edison Company

March 14, 2006

TABLE OF CONTENTS

| | | |
|------|--|----|
| I. | Introduction and Purpose | 1 |
| A. | Identification of Witnesses | 1 |
| B. | Purpose of Surrebuttal Panel Testimony..... | 1 |
| C. | Itemized Attachments to Surrebuttal Panel Testimony | 1 |
| D. | Summary of Tariffs Addressed..... | 2 |
| II. | Rates and Riders | 3 |
| A. | Rate BES-H and Rate BES-RR..... | 3 |
| B. | Rate 87 – Governmental Service – Certain Rockford Customers | 6 |
| C. | Rider AC7 and Rider CLR7..... | 7 |
| D. | Rider LGC – Local Government Compliance Adjustment..... | 8 |
| E. | Rider ML – Meter-Related Facilities Lease..... | 11 |
| F. | Rider NS – NONstandard Services and Facilities | 16 |
| G. | Rider RESALE – Allowance for Resale or Redistribution of Electricity..... | 16 |
| H. | Rider SBO7 – Single Bill Option 2007..... | 17 |
| I. | Existing Rider 8 – Allowance for Customer-Owned Transformers | 18 |
| III. | General Terms & Conditions | 19 |
| IV. | Tariff Eligibility and Termination Provisions (<i>i.e.</i> , “Switching Rules”) | 21 |
| V. | Railroad Customer Issues | 22 |
| VI. | Pumping Customer Issues..... | 33 |
| VII. | Miscellaneous Issues..... | 37 |

1 **I. INTRODUCTION AND PURPOSE**

2 **A. IDENTIFICATION OF WITNESSES**

3 Q. Are you the same Lawrence S. Alongi and Timothy F. McInerney who provided Direct
4 and Rebuttal Panel Testimony in this Docket?

5 A. Yes, we are.

6 **B. PURPOSE OF SURREBUTTAL PANEL TESTIMONY**

7 Q. What is the purpose of your Surrebuttal Panel Testimony?

8 A. The purpose of our Surrebuttal Panel Testimony is to respond to certain portions of the
9 following respective rebuttal testimonies: Illinois Commerce Commission (the
10 “Commission” or “ICC”) Staff (“Staff”) witnesses Dr. Eric Schlaf, Mr. Mark Hanson,
11 and Mr. Ronald Linkenback; Building Owners and Managers Association of Chicago
12 (“BOMA”) panel witnesses Messrs. T. J. Brookover and Kristav Childress; Chicago
13 Transit Authority (“CTA”) panel witnesses Messrs. Dennis Anosike and Glenn Zika; City
14 of Chicago (“City”) witness Mr. Steven Walter; Coalition of Energy Suppliers (“CES”)
15 panel witnesses Dr. Philip O’Connor and Mr. John Domagalski; Citizens Utility Board
16 (“CUB”) and City witness Mr. Christopher Thomas; Illinois Industrial Energy
17 Consumers (“IIEC”) witnesses Mr. Robert Stephens and Mr. Alan Chalfant; Illinois
18 Association of Wastewater Agencies (“IAWA”) witness Mr. Nicholas Menninga; and
19 CUB and Cook County State’s Attorney’s Office (“CCSAO”) witness Mr. Michael
20 McGarry, Sr.; and Illinois Attorney General (“AG”) witness Mr. David Effron.

21 **C. ITEMIZED ATTACHMENTS TO SURREBUTTAL PANEL TESTIMONY**

22 Q. What are the exhibits attached to your Surrebuttal Panel Testimony?

23 A. The following is a list of the exhibits attached to this Surrebuttal Panel Testimony and a
24 brief description of each:

- 25 • ComEd Exhibit 41.1 provides a summary of the step by step procedure that must be
26 followed to manually intervene and process a bill for two or more off-cycle switches
27 in a single monthly billing period;
- 28 • ComEd Exhibit 41.2 provides proposed revisions to Rider AC7;
- 29 • ComEd Exhibit 41.3 provides proposed revisions to Rider CLR7;
- 30 • ComEd Exhibit 41.4 (Confidential and Proprietary) is a document from a
31 manufacturer showing the service life of the Interval Data Recording (“IDR”) meters
32 that ComEd intends to use in any residential real time pricing program adopted by the
33 Commission;
- 34 • ComEd Exhibit 41.5 provides the determination of the Monthly Rental Charge for an
35 IDR meter installed on a residential customer premises;
- 36 • ComEd Exhibit 41.6 provides proposed revisions to Rider SBO7;
- 37 • ComEd Exhibit 41.7 provides the determination of charges that would result under
38 ComEd’s proposal to temporarily retain the over 10 megawatt customer class and
39 phase-in cost-based rates as described in ComEd Ex. 40.0 together with ComEd’s
40 proposal offered herein to provide railroad customers with one service line as
41 standard for each individual CTA traction power substation as CTA has requested and
42 as further described in the Railroad Customer Issues section of this Surrebuttal Panel
43 Testimony;
- 44 • ComEd Exhibit 41.8 provides the charges that would result if the Maximum
45 Kilowatts Delivered (“MKD”) were defined using peak period billing determinants as
46 some intervenors have argued it should be defined;
- 47 • ComEd Exhibit 41.9 provides the estimated 2005 revenue associated with the
48 addition of new customers.

49 **D. SUMMARY OF TARIFFS ADDRESSED**

50 Q. Which tariffs does your Surrebuttal Panel Testimony address?

51 A. Our Surrebuttal Panel Testimony addresses certain aspects of the following tariffs:

- 52 • Rate BES-H – Basic Electric Service – Hourly Energy Pricing (“Rate BES-H”)
- 53 • Rate BES-RR – Basic Electric Service – Railroad (“Rate BES-RR”)
- 54 • Rate 87 – Governmental Service – Certain Rockford Customers (“Rate 87”)
- 55 • Rider AC7 – Residential Air Conditioner Load Cycling Program 2007 (“Rider AC7”)

- 56 • Rider CLR7 – Capacity-Based Load Response and System Reliability Program 2007
- 57 (“Rider CLR7”)
- 58 • Rider LGC – Local Government Compliance Adjustment (“Rider LGC”)
- 59 • Rider ML – Meter-Related Facilities Lease (“Rider ML”)
- 60 • Rider NS – Nonstandard Services and Facilities (“Rider NS”)
- 61 • Rider RESALE – Allowance for Resale or Redistribution of Electricity
- 62 (“Rider RESALE”)
- 63 • Rider SBO7 – Single Bill Option 2007 (“Rider SBO7”)
- 64 • Rider 8 – Allowance for Customer–Owned Transformers (“Rider 8”)
- 65 • General Terms and Conditions

66 Mr. Paul Crumrine addresses certain aspects of the following tariffs in his Surrebuttal
67 Testimony (ComEd Ex. 40.0):

- 68 • Basic Electric Service Tariffs
- 69 • Rate BES-H
- 70 • Rate RDS – Retail Delivery Service (“Rate RDS”)
- 71 • Rider AC7
- 72 • Rider CLR7
- 73 • Rider ECR – Environmental Cost Recovery Adjustment
- 74 • Rider GCB7 – Governmental Consolidated Billing 2007
- 75 • Rider POG – Parallel Operation of Retail Customer Generating Facilities
- 76 • Rider SBO7
- 77 • Rider VLR7 – Voluntary Load Response and system Reliability Program 2007
- 78 • Rider ZSS7 – Zero Standard Service 2007

79 **II. RATES AND RIDERS**

80 **A. RATE BES-H AND RATE BES-RR**

81 Q. In their rebuttal panel testimony, Dr. O’Connor and Mr. Domagalski discuss the revisions
82 you proposed in your Rebuttal Panel Testimony to provide customers with the ability to
83 terminate CPP-H service (*i.e.*, Rate BES-H or the CPP-H Charges provisions of Rate

84 BES-RR) on a 7-day Direct Access Service Request (“DASR”) notice on days other than
85 the normally scheduled meter reading date (*i.e.*, an “off-cycle termination”). (CES
86 Ex. 5.0, 4:71-5:96). Were Dr. O’Connor and Mr. Domagalski satisfied with your
87 proposed revisions?

88 A. Yes. Dr. O’Connor and Mr. Domagalski were satisfied with the proposed revisions that
89 we had presented in legislative style. However, they went on to express skepticism
90 regarding the reasonableness of the proposed \$430 Off-Cycle Termination Fee that we
91 included in our proposal to recover the costs of processing such requests under certain
92 limited circumstances. (*See* CES Ex. 5.0, 4:84-85).

93 Q. Is Dr. O’Connor and Mr. Domagalski’s skepticism warranted?

94 A. No. Dr. O’Connor and Mr. Domagalski appear to misunderstand the purpose of the
95 proposed charge and the limited circumstances in which it would apply. They incorrectly
96 correlate the charge as being associated with an “off-cycle meter read.” (*See* CES
97 Ex. 5.0, 4:71-75, 78-79). In fact, the proposed \$430 Off-Cycle Termination Fee is not
98 related to an “off-cycle meter read” because the meters for customers taking hourly
99 service must be IDR meters, which record the customer’s electric usage in each defined
100 interval of time (*i.e.*, each half-hour) during a monthly billing period. As a result,
101 regardless of when a customer decides to terminate hourly service, such IDR meters will
102 continue to be read on the customer’s normally scheduled meter reading date. That is, an
103 “off-cycle meter read” is not required.

104 Q. If an “off-cycle meter read” is not required, then what is the basis for the proposed \$430
105 Off-Cycle Termination Fee?

106 A. As we explained in our Rebuttal Panel Testimony, an off-cycle termination of CPP-H
107 service must provide for the possibility that two or more off-cycle switches could occur
108 in a single monthly billing period. (*See* ComEd Ex. 24.0, 5:153-155). That is, the
109 possibility exists that a customer could switch to an hourly tariff (*i.e.*, under Rate BES-H
110 or the applicable sections of Rate BES-RR) on a date other than the normally scheduled
111 meter reading date and then terminate such service within the same monthly billing
112 period, as soon as seven days later on a date other than the customer's normally
113 scheduled meter reading date. The manual intervention and administrative process
114 required to process and bill in such a situation is extensive. (*See* ComEd Ex. 24.0, 6:157-
115 163).

116 Q. Dr. O'Connor and Mr. Domagalski assert that the bulk of the \$430 cost is a contractual
117 arrangement ComEd already has in place that obligates the Company to pay for four
118 hours of Information Technology ("IT") support to an outside vendor for each off-cycle
119 switch. They further state that ComEd does not explain why this task should take a full
120 four hours of IT support to accomplish or why ComEd contracted for this fixed price.
121 (*See* CES Ex. 5.0, 4:85-5:96). How do you respond?

122 A. Attached as ComEd Exhibit 41.1 is a description of the extensive step-by-step procedure
123 that must be followed to manually intervene and process a bill for two or more off-cycle
124 switches in a single monthly billing period. As ComEd Exhibit 41.1 shows, IT must take
125 several steps to program the billing system to temporarily override certain restrictions
126 that are in place to validate proper billing for all customers under normal circumstances.
127 Those programming changes must be carefully implemented to ensure that only the
128 appropriate restrictions are overridden and only for the specific account that is

129 terminating CPP-H service off-cycle. Otherwise, billing for all other customers could be
130 affected. All programming changes affecting the billing system, even those for a single
131 account under such unique circumstances such as this, must meet Sarbanes-Oxley
132 requirements that involve strict adherence to elaborate testing and thus take considerable
133 time. Consequently, the four hours of IT time is necessary and fully justified. Thus,
134 ComEd's proposed \$430 Off-Cycle Termination Fee for CPP-H service is just and
135 reasonable and should be approved.

136 **B. RATE 87 – GOVERNMENTAL SERVICE – CERTAIN ROCKFORD**
137 **CUSTOMERS**

138 Q. Does Staff witness Mr. Hanson agree that ComEd's proposed revision of Rate 87 is
139 housekeeping in nature? (Staff Ex. 18.0, 3:58-4:72).

140 A. Yes. Mr. Hanson agrees that ComEd's proposed revision of Rate 87 clarifies that this
141 rate is not effective for service provided after January 1, 2007. Furthermore, Mr. Hanson
142 also agrees that this is a housekeeping type of change and he no longer takes issue with
143 ComEd's proposal. He also suggests that this housekeeping change should not supersede
144 any obligation that ComEd may have under Rate 87 to provide the City of Rockford with
145 adequate notice before canceling the tariff. (*Id.*, 4:69-72). We agree with Mr. Hanson
146 and, as we testified in our Rebuttal Panel Testimony, ComEd plans to provide such
147 termination notice to the appropriate customers served under Rate 87. (*See* ComEd
148 Ex. 24.0, 13:356-358). Consequently, to be absolutely clear, at the appropriate time
149 ComEd will provide adequate and proper notice pursuant to Rate 87 to the Rockford Park
150 District, Rockford Public Libraries, Rockford School District No. 205 and the City of
151 Rockford.

152 **C. RIDER AC7 AND RIDER CLR7**

153 Q. Is ComEd proposing changes to Rider AC7 and to Rider CLR7 which were filed in this
154 Docket?

155 A. Yes. As Mr. Crumrine explains in his Surrebuttal Testimony, ComEd has identified
156 certain appropriate changes to Rider AC7 and Rider CLR7, which were filed in this
157 Docket. Mr. Crumrine provides a full explanation of the rational for these changes in his
158 Surrebuttal Testimony. (ComEd Ex. 40.0). The proposed changes to Rider AC7 and
159 Rider CLR7 provide an appropriate transition for customers from ComEd’s existing
160 interruptible/curtailable riders to Rider AC7 and Rider CLR7, as well as clarifying how
161 compensation under Rider CLR7 is provided. The specific changes to Rider AC7 and
162 Rider CLR7 that ComEd proposes are presented in ComEd Exhibit 41.2 and ComEd
163 Exhibit 41.3, respectively. ComEd Exhibit 41.2 shows the proposed revision to Sheet
164 No. 429 to transition residential retail customers taking service under Rider AC -
165 Residential Air Conditioner Load Cycling Program (“Rider AC”) to Rider AC7. Pages 1
166 and 2 of ComEd Exhibit 41.3 show the proposed revision to Sheet No. 431 to
167 (a) transition nonresidential retail customers taking service under Rider CLR - Capacity-
168 Based Load Response & System Reliability Program (“Rider CLR”) to Rider CLR7, and
169 (b) to provide an opportunity for a nonresidential retail customer that has been taking
170 service through January 1, 2007, under the then effective Rider 26 – Interruptible Service
171 (“Rider 26”), Rider 27 – Displacement of Self-Generation (“Rider 27”), Rider 30 –
172 Interruptible/Curtailable Service (“Rider 30”), or Rider 32 – Curtailable Service
173 Cooperative (“Rider 32”) to commence service under Rider CLR7 beginning January 2,
174 2007, and extending through May 31, 2007. Page 3 of ComEd Exhibit 41.3 shows the

175 revision to Sheet No. 433 to provide an appropriate compensation for the January 2007
176 through May 2007 period for a nonresidential customer described in (b) above that
177 commences service under Rider CLR7. This compensation is determined based on the
178 clearing price from the most recent PJM Interconnection, L.L.C. (“PJM”) operated
179 Capacity Credit Auction for the January 2007 through May 2007 period. For additional
180 discussion regarding the proposed revisions to Rider AC7 and Rider CLR7, see the
181 Surrebuttal Testimony of Mr. Crumrine. (ComEd Ex. 40.0).

182 **D. RIDER LGC – LOCAL GOVERNMENT COMPLIANCE ADJUSTMENT**

183 Q. Mr. Walter continues to state that Rider LGC is “extremely broad” and “would give the
184 utility far too much discretion.” (City Ex. 2.0, 7:115-122). How do you respond?

185 A. Mr. Walter is wrong. He continues to make such statements despite the fact that the
186 Commission rejected similar arguments in its approval of Rider 28 – Local Government
187 Compliance Clause (“Rider 28”) in consolidated Docket Nos. 91-0146 and 91-0217.
188 Order, Feb. 11, 1992. Moreover, we have demonstrated in our Rebuttal Panel Testimony
189 that the differences between ComEd’s existing Rider 28 and ComEd’s proposed
190 Rider LGC are not substantive. (ComEd Ex. 24.0, 15:389-16:407; ComEd Ex. 24.4). He
191 does, however, go on to accept our representation that ComEd does not intend to expand
192 its discretion under Rider LGC. (City Ex. 2.0, 7:127-128). Accordingly, it appears that
193 the City’s argument that Rider LGC gives ComEd too much discretion is no longer an
194 issue.

195 Q. Does City witness Mr. Walter accurately characterize current Rider 28 and proposed
196 Rider LGC?

197 A. No. In his rebuttal testimony, he states that: “Rider 28 is a rider through which ComEd
198 recovers the incremental costs of providing ‘non-standard’ services required by an
199 ordinance passed by a unit of local government.” (City Ex. 2.0, 7:112-114). In addition,
200 Mr. Walter states that “the City expects, that ComEd will not ‘Rider 28’ (or, if approved,
201 ‘Rider LGC’) expenses incurred for projects undertaken other than pursuant to an
202 ordinance.” (*Id.*, 7:128-130). These statements are inaccurate and misleading because
203 they suggest that an ordinance is the only local government unit action that could result in
204 application of the provisions under existing Rider 28 or proposed Rider LGC. That is not
205 the case. The following excerpt from the existing Rider 28 clearly shows that action by a
206 local government unit is not limited only to ordinances:

207 [I]n the event that a Local Governmental Unit enacts an ordinance
208 or otherwise utilizes its constitutional or statutory powers to
209 compel the Company, directly or indirectly, to....

210 ILL. C.C. No. 4, 4th Revised Sheet No. 95.05

211 Q. Does ComEd propose that Rider LGC be limited only to ordinances passed by local
212 government units?

213 A. No. The following excerpt from proposed Rider LGC is very similar to and just as clear
214 as the corresponding provision of existing Rider 28:

215 In the event that a Local Government Unit enacts an ordinance,
216 requires as a condition of the Company’s use of its property, or
217 otherwise utilizes its constitutional or statutory powers to compel
218 the Company, directly or indirectly, to perform any combination of
219 the following....

220 ILL. C.C. No. 4, Original Sheet No. 448

221 Indeed, the “redlined” version of the changes that were made to the text of Rider 28 to
222 create Rider LGC which we provided with our Rebuttal Panel Testimony as ComEd
223 Ex. 24.4 illustrates how minor the wording changes are:

224 ~~Except as otherwise provided in this rider,~~ In the event that a
225 Local Government Unit enacts an ordinance, requires as a
226 condition of the Company’s use of its property, or otherwise
227 utilizes its constitutional or statutory powers to compel the
228 Company, directly or indirectly, to perform any combination of the
229 following:

230 Q. Mr. Walter states that subsection (d) of proposed Rider LGC (*see* ComEd Ex. 10.1, Sheet
231 No. 448) cannot be applied to the City because it would impair the City’s rights under the
232 existing franchise agreement with ComEd. (City Ex. 2.0, 8:131-141). How do you
233 respond?

234 A. Subsection (d) of Rider LGC provides as follows:

235 (d) remove existing facilities and replace them with facilities at
236 a different time than the Company would otherwise be
237 required to provide such replacement.

238 The issue raised by Mr. Walter was clarified in our Rebuttal Panel Testimony. (*See*
239 ComEd Ex. 24.0, 16:415-422). Specifically, we stated that not all “early replacement”
240 projects required by a local government unit are subject to the provisions of proposed
241 Rider LGC. (*Id.*, 16:415-416). We also gave an example of an “early replacement”
242 project required by a local government unit that is not subject to the rider: a road
243 widening public improvement project that requires a “like-for-like” (*e.g.*, overhead-to-
244 overhead) replacement and relocation of ComEd’s existing standard facilities (*i.e.*,
245 otherwise required) to accommodate the project. (*Id.*, 16:417-422). Under the provisions

246 of existing Rider 28 and proposed Rider LGC, such a project is “otherwise required” and,
247 therefore, is not subject to the provisions of the rider.

248 Thus, while we are not lawyers, we do not believe proposed Rider LGC “impairs the
249 City’s right under its franchise agreement with ComEd.”

250 **E. RIDER ML – METER-RELATED FACILITIES LEASE**

251 Q. CUB and City witness Mr. Thomas asserts that ComEd “has proposed meter lease rates
252 for IDR meters that are significantly higher than the rates for the standard residential
253 watt-hour meters.” (CUB-City Ex. 2.0, 10:232-234). How do you respond?

254 A. ComEd is proposing meter lease charges for IDR meters that are higher than meter lease
255 charges for standard residential watt-hour meters because IDR meters are significantly
256 more expensive to purchase than standard residential watt-hour meters. IDR meters are
257 sophisticated electronic instruments and standard residential watt-hour meters are
258 ordinary electromechanical instruments that cost much less than IDR meters. It is not
259 appropriate to compare charges for sophisticated electronic IDR meters to charges for
260 ordinary electromechanical watt-hour meters.

261 Q. CUB and City witness Mr. Thomas asserts that ComEd’s assumed 10-year IDR meter life
262 is a fundamental flaw in its cost estimate. (CUB-City Ex. 2.0, 11:242-243). Is
263 Mr. Thomas’ assertion accurate?

264 A. No. Mr. Thomas’ assertion and related statements are not accurate. ComEd’s response
265 to Staff data request RDL 7.08, Attachment 1 of 1 (Confidential and Proprietary), which
266 Mr. Thomas attached to his rebuttal testimony as CUB Exhibit 2.04 (Confidential and
267 Proprietary), plainly indicates that the service life for the IDR meter that ComEd has
268 utilized since July 2005, ****BEGIN CONFIDENTIAL AND PROPRIETARY *******

269 *** ***, END CONFIDENTIAL AND PROPRIETARY** has a service life
270 of **BEGIN CONFIDENTIAL AND PROPRIETARY *** ***, END CONFIDENTIAL
271 AND PROPRIETARY**. Mr. Thomas neglects to mention that **BEGIN
272 CONFIDENTIAL AND PROPRIETARY *** ***, END
273 CONFIDENTIAL AND PROPRIETARY**, upon which he bases his proposed
274 **BEGIN CONFIDENTIAL AND PROPRIETARY *** ***, END CONFIDENTIAL
275 AND PROPRIETARY** life, is no longer produced. We have attached this
276 manufacturer document to our Surrebuttal Panel Testimony as ComEd Ex. 41.4
277 (Confidential and Proprietary) with the service lives in question clearly identified. The
278 obsolete meter is identified with a solid black outline around the number and a solid
279 black arrow pointing to the number. The currently available meter is identified with a
280 dashed black outline around the number and a dashed black arrow pointing to the
281 number.

282 Q. From ComEd's experience with IDR meters, is a 10-year service life appropriate?

283 A. Yes. As mentioned in our Rebuttal Panel Testimony, ComEd has extensive experience
284 with IDR meters for customers. (*See* ComEd Ex. 24.0, 18:464-465). It is appropriate to
285 classify IDR meters, as all meters that contain electronic components, to have a useful
286 life of 10 years. (*Id.*, 18:462-464). In fact, the historical average service life determined
287 using the data that Mr. Thomas provided as shown in ComEd Ex. 41.4 (Confidential and
288 Proprietary) is generally consistent with ComEd's experience.

289 Q. Do you have comments on CUB-City Exhibit 2.06 (Confidential and Proprietary)
290 attached to Mr. Thomas' rebuttal testimony?

291 A. Yes. Mr. Thomas uses debt and equity ratios and costs presented in Mr. Edward
292 Bodmer's rebuttal testimony (CUB-CCSAO-City Ex. 4.0) in the preparation of CUB-City
293 Exhibit 2.06 (Confidential and Proprietary). As described in the Surrebuttal Testimony
294 of Mr. J. Barry Mitchell (ComEd Ex. 37.0) and in the Surrebuttal Testimony of Mr.
295 Samuel Hadaway (ComEd Ex. 38.0), the debt and equity ratios and costs contained in
296 Mr. Bodmer's rebuttal testimony are not accurate.

297 Q. Do you agree with Mr. Thomas' computation of the residential IDR meter reading costs
298 presented in CUB-City Exhibit 2.07?

299 A. No. Mr. Thomas' computation of the meter reading costs presented in CUB-City
300 Exhibit 2.07 is incorrect in three respects. First, Mr. Thomas includes the cost of only
301 one monthly meter reading of an IDR meter in the computation of annual meter reading
302 cost in CUB-City Exhibit 2.07. There are 12 monthly readings in a year. Second,
303 Mr. Thomas incorrectly uses only the direct labor cost for computing the meter reading
304 cost presented in CUB-City Exhibit 2.07. The correct labor rate to use is the composite
305 labor rate determined using the Composite Hourly Labor Rate Multiplier shown on
306 page 7 of the work paper provided in ComEd's response to RDL 1.06. Third, the
307 incremental time to read an IDR meter set forth in this exhibit is not correct. Because the
308 meter reading for an IDR meter requires both a visual read and a probed read, the
309 incremental time for the probed read in CUB-City Exhibit 2.07 should be one minute
310 forty-nine seconds, not one minute forty-three seconds as shown in this exhibit.

311 Q. Mr. Thomas testifies that ComEd should modify the residential IDR meter reading
312 charges to limit residential RTP meter reading costs to include only the incremental cost
313 of reading the IDR meter. (CUB Ex. 2.0, 13:288-300). How do you respond?

314 A. As explained in our Rebuttal Panel Testimony, ComEd appropriately accounted for the
315 meter reading cost to determine the meter lease amount for a Self Contained Class 100 or
316 200 Single Phase Watt-hour IDR meter. (ComEd Ex. 24.0, 18:471-19:474). However,
317 ComEd is willing to introduce a separate meter rental type in Rider ML for IDR meters
318 installed on residential customer premises to reflect a lesser amount of travel time, on
319 average, to residential meter locations for reading meters as compared to travel time to
320 nonresidential meter locations.

321 Q. Do you have a proposed Monthly Rental Charge under the propose Rider ML for IDR
322 meters installed on residential customers premises that recognizes that average travel
323 time difference?

324 Yes. ComEd Exhibit 41.5 shows the determination of \$8.28, which ComEd now
325 proposes as the Monthly Rental Charge for an IDR meter installed on a residential
326 customer premises. By way of comparison, the Monthly Rental Charge for an IDR meter
327 installed on a nonresidential premises is \$10.96.

328 Q. Do you agree with Mr. Thomas' testimony that in the determination of the proposed
329 meter exchange charges, ComEd should include productivity gains if ComEd is
330 incorporating inflation in the labor rates?

331 A. No. It is inappropriate to assume productivity gains in the determination of the meter
332 exchange charges because the time estimates for performing meter exchanges used in the
333 determination are based on fully trained employees. The expected 4% per year increase
334 in hourly employee wage rates in the determination of meter exchange charges is based
335 on the current Collective Bargaining Agreement between ComEd and its employees.

336 Q. Do you agree with Mr. Thomas' proposed modifications to ComEd's Schedule 23.1 to
337 include modifications contained in CUB Exhibit 2.08?

338 A. No. Mr. Thomas' computation in CUB-City Exhibit 2.08 has three significant flaws.
339 First, Mr. Thomas relies on a longer than appropriate meter service life. Second,
340 Mr. Thomas uses the incorrect meter reading cost determined in CUB-City Exhibit 2.07.
341 Third, Mr. Thomas fails to incorporate expected hourly employee wage increases.
342 ComEd prepared a correct residential real time pricing program cost shown in ComEd
343 Exhibit 40.1, attached to the Surrebuttal Testimony of Mr. Crumrine.

344 Q. Staff witness Dr. Schlaf testifies that he believes the metering costs used to develop the
345 approximate customer charge in ComEd Exhibit 23.1 may be overstated by a small
346 amount. (Staff Ex. 20.0, 9:201-210). How do you respond?

347 A. Dr. Schlaf based his comment on ComEd's response to a data request from
348 Mr. Linkenback, Staff of the Illinois Commerce Commission, in RDL 7.01, Attachment 1
349 of 1 (Confidential and Proprietary). This information shows the determination of the
350 \$184.24 base price for the Single Phase Watt-hour meter with IDR register: Self-
351 Contained Class 100 or 200, shown in column (C) on line 15 of ComEd Exhibit 10.18.
352 The data used for that determination shows that the per meter purchase cost in recent
353 years is lower than the base price of \$184.24. Consequently, it is possible that
354 Dr. Schlaf's comment reflects an observation of that difference. The \$184.24 base price
355 is the historical average per meter purchase cost of this meter and is appropriate to use for
356 rental purposes. Such a historical average, rather than the recent per meter purchase cost,
357 is appropriate to use in the determination of Monthly Rental Charges under Rider ML

358 because meters installed on customer premises that are subject to Monthly Rental
359 Charges have been installed over time.

360 **F. RIDER NS – NONSTANDARD SERVICES AND FACILITIES**

361 Q. Has ComEd addressed Staff witness Mr. Hanson’s concerns regarding Rider NS?

362 A. Yes. In his rebuttal testimony, Mr. Hanson testifies that the amended Rider NS tariff
363 language provided in our Rebuttal Panel Testimony sufficiently addresses his concerns.
364 (Staff Ex. 18.0, 2:23-27).

365 Q. Are there any other remaining issues concerning Rider NS?

366 A. Yes. In their rebuttal panel testimony, CTA witnesses Mr. Dennis Anosike and
367 Mr. Glenn Zika continue to object to the language in Rider NS related to the reserved
368 distribution system capacity charge. (CTA Ex. 3.0, 12:311-21:527). It should be noted
369 that the language to which they object is the same language that Staff witness Mr. Hanson
370 agreed addresses his concerns. We will address this remaining Rider NS issue, together
371 with other issues raised by Messrs. Anosike and Zika, in the Railroad Customer Issues
372 section of this Surrebuttal Panel Testimony.

373 **G. RIDER RESALE – ALLOWANCE FOR RESALE OR REDISTRIBUTION**
374 **OF ELECTRICITY**

375 Q. What are the parties’ positions with respect to Rider RESALE?

376 A. BOMA (BOMA Ex. 3.0, 9:188-199), CES (CES Ex. 5.0, 3:57-58) and IIEC (IIEC
377 Ex. 5.0, 20:446-456) all accept the proposed amendment to Rider RESALE included in
378 our Rebuttal Panel Testimony. However, Staff witness Dr. Schlaf has raised concerns
379 about ComEd’s modified Rider RESALE proposal. In particular, Dr. Schlaf is of the
380 opinion that a building owner that resells electricity should first obtain from the

381 Commission a Certificate of Service Authority to act as an Alternative Retail Electric
382 Supplier (“ARES”). (Staff Ex. 20.0, 15:343-345). He also is concerned that ComEd’s
383 modified Rider RESALE proposal would permit a building owner to charge potentially
384 wildly different rates to its tenants. (*Id.*, 15:345-348).

385 Q. Does ComEd oppose Staff witness Dr. Schlaf’s position on Rider RESALE?

386 A. The proposal in our Rebuttal Panel Testimony was made in response to parties’ concerns
387 regarding competitive issues and Rider RESALE. We take no position on the legal issue
388 of whether a building owner that has been allowed to resell or redistribute electricity
389 since the 1950s under ComEd’s Rider 12 – Conditions of Resale or Redistribution of
390 Electricity by the Customer to Third Persons, the predecessor tariff to ComEd’s proposed
391 Rider RESALE, should now be certificated as an ARES. This is a legal issue for the
392 Commission to decide.

393 **H. RIDER SBO7 – SINGLE BILL OPTION 2007**

394 Q. Are you offering any further revisions of Rider SBO7?

395 A. Yes. As explained in the Rebuttal Testimony of Mr. Crumrine, while reserving the right
396 to revisit this matter should unforeseen issues arise, ComEd is willing to eliminate the
397 provision in proposed Rider SBO7 that precludes a Retail Electric Supplier (“RES”) from
398 offering SBO service to a retail customer during the 12 monthly billing periods after it
399 terminated such service. (ComEd Ex. 23.0 70:1503-1509). In their rebuttal panel
400 testimony response, Dr. O’Connor and Mr. Domagalski suggested that ComEd provide
401 the agreed-upon revision in its surrebuttal testimony. (CES Ex. 5.0 6:114-116). In his
402 Surrebuttal Testimony, Mr. Crumrine agrees. Attached as ComEd Exhibit 41.6 is the

403 amendment to proposed Rider SBO7 that would implement this revision, if approved by
404 the Commission.

405 **I. EXISTING RIDER 8 – ALLOWANCE FOR CUSTOMER-OWNED**
406 **TRANSFORMERS**

407 Q. Does Staff witness Mr. Linkenback present a modified proposal regarding ComEd’s
408 existing Rider 8? (Staff Ex. 19.0, 5:105-164).

409 A. Yes. Mr. Linkenback believes that the alternatives for eliminating Rider 8 offered in our
410 Rebuttal Panel Testimony are inferior to those listed in his direct testimony. Specifically,
411 he believes that ComEd’s offer to limit the availability of this rider only to specific
412 existing Rider 8 customers may adversely impact Rider 8 customers whose service is
413 provided through a combination of owned and rented transformers (under ComEd’s
414 existing Rider 6) by increasing their monthly electric bill. (*See Id.*, 7:146-150).
415 Mr. Linkenback now appears to prefer a combination of the grandfathering and buy-out
416 concepts included in both of ComEd’s alternatives. He recommends “that all existing
417 Rider 8 customers be allowed to remain eligible to receive compensation under Rider 8,
418 subject to the option for termination of such eligibility in the event that an existing
419 Rider 8 customer and ComEd are able to negotiate a mutually agreeable transition
420 payment to terminate such eligibility.” (*Id.*, 7:160-8:164).

421 Q. Does ComEd accept Mr. Linkenback’s modified proposal?

422 A. No. We continue to believe that our original offer is reasonable and that the Commission
423 should approve it as described in our Rebuttal Panel Testimony. (ComEd Ex. 24.0,
424 26:667-27:689). However, if the Commission should disagree, then the Commission
425 should allow ComEd to limit the availability of the rider to those customers taking

426 service under Rider 8 as of the date of the Commission’s Order. In that case, ComEd will
427 include an appropriate rider in its compliance filing that provides for such credits at the
428 rate currently effective in Rider 8 and also adjust ComEd’s rate design spreadsheet
429 (originally filed as ComEd Ex. 10.9, revised in ComEd Exhibit 41.7 as further described
430 herein and updated with ComEd’s revised revenue requirement as provided in ComEd
431 Exhibit 36.0) to provide an offset for such continued credits in order for ComEd to
432 recover its revenue requirement.

433 **III. GENERAL TERMS & CONDITIONS**

434 Q. Your Rebuttal Panel Testimony includes recommended amendments to ComEd’s
435 proposed General Terms and Conditions to address concerns raised by CES regarding the
436 definition of “peak period.” (ComEd Ex. 24.0, 28:709-29:751). Are Dr. O’Connor and
437 Mr. Domagalski satisfied with these amendments?

438 A. Yes. In their panel rebuttal testimony Dr. O’Connor and Mr. Domagalski testify that
439 “[t]he revised definitions presented by ComEd are acceptable and the Coalition
440 recommends that the Commission approve revisions that implement the Company’s
441 clarification.” (See CES Ex. 5.0, 13:284-287).

442 Q. Your Rebuttal Panel Testimony explained provisions of ComEd’s proposed General
443 Terms and Conditions to address the concern raised by Mr. Domagalski in his direct
444 testimony regarding the recategorization of certain condominium common areas as
445 nonresidential customers, consistent with statements that ComEd made in
446 Docket No. 05-0159 (the “Procurement Case”). (See ComEd Ex. 24.0, 30:752-762). Are
447 Dr. O’Connor and Mr. Domagalski satisfied with your explanation?

448 A. Yes. In their panel rebuttal testimony Dr. O'Connor and Mr. Domagalski testify that
449 "[t]he Coalition is satisfied that ComEd has properly addressed the issue." (See CES
450 Ex. 5.0, 14:298-299).

451 Q. Do you agree with Mr. Hanson's testimony regarding ComEd's energy audit service?
452 (Staff Ex. 18.0, 3:46-56).

453 A. No. ComEd proposed to remove the energy audit language that is currently contained in
454 ComEd's existing Terms and Conditions because it is outdated and refers to a program
455 that was once mandated by law but has long since been discontinued. The disputed
456 language states: "A charge of \$15.00, payable in advance, shall be applicable for each
457 residential customer who elects to have an energy audit of his home under the Illinois
458 Residential Conservation Service Program Plan." It is our understanding that this plan,
459 which was detailed in a rule jointly issued by the then Illinois Institute of Natural
460 Resources and the Commission, implemented provisions of the National Energy
461 Conservation Policy Act that are themselves no longer in effect.

462 We also note that for several years ComEd has had an updated and free service available
463 to customers via the Internet. There are also many competitive entities that provide
464 energy audits. The fees charged by these entities indicate that it would be quite costly for
465 ComEd to try to duplicate this service, and doing so is unnecessary to meet customer
466 needs. Because the language we propose to delete provides no benefit to customers and
467 is limited to a program that no longer exists, and because its deletion would not adversely
468 affect customers in any way, it should be deleted.

469 The energy audit service contained in ComEd's existing Terms and Conditions is
470 outdated and has not been used by a single customer in at least 13 years. The age of this

471 provision is evidenced by the \$15 charge. That charge does not cover the costs of
472 ComEd personnel visiting a customer's household to perform such an audit. The new
473 Internet-based audit, on the other hand, provides customers with information in a more
474 efficient and cost-effective manner in a method that was not available years ago when the
475 original program was devised. Nonetheless, if the Commission is of the opinion that a
476 similar service should be offered in the future, then this matter should be added to the list
477 of issues to be addressed in the Commission's upcoming energy efficiency workshops,
478 rather than require ComEd to retain the existing energy audit service provision in the
479 tariffs resulting from this Docket.

480 **IV. TARIFF ELIGIBILITY AND TERMINATION PROVISIONS (I.E., "SWITCHING**
481 **RULES")**

482 Q. Are Dr. O'Connor and Mr. Domagalski satisfied with your proposals regarding switching
483 rules? (CES Ex. 5.0, 14:304-313).

484 A. Yes. Dr. O'Connor and Mr. Domagalski appear to be satisfied by our Rebuttal Panel
485 Testimony proposal to work with RESs to develop a summary of the switching rules for
486 purposes of the RES Handbook. (ComEd Ex. 24.0, 31:783-784). Specifically, in their
487 rebuttal testimony, Dr. O'Connor and Mr. Domagalski stated that "[t]he Coalition is
488 pleased to see ComEd display a willingness to work with RESs to ensure that ComEd has
489 clear and easy to follow switching rules." (See CES Ex. 5.0, 14:309-310). Consequently,
490 it appears that the matter of switching rules is no longer a contested issue in this
491 proceeding.

492 Q. Are Dr. O'Connor and Mr. Domagalski satisfied with your proposal regarding the
493 provision of a one-time allowance from the 12-month restriction so that customers would

494 be allowed to exit bundled service and elect delivery service at the last meter reading in
495 calendar year 2006? (ComEd Ex. 24.0, 35:880-896).

496 A. Yes. However, they state that it would be preferable that the determination on this issue
497 be made now, instead of waiting for the entry of a final order in the instant proceeding.
498 (*See* CES Ex. 5.0, 16:350-352).

499 Q. Do you agree that determination on this issue be made now, instead of waiting for the
500 entry of a final order in the instant proceeding?

501 A. No. As stated in our Rebuttal Panel Testimony, ComEd's proposal is subject to the
502 Commission's approval. (*See* ComEd Ex. 24.0, 35:894-896). Moreover, this proposal is
503 appropriately considered in this Docket because it relates to a proposed one-time
504 allowance specifically related to the transition to the tariffs ComEd has proposed in this
505 proceeding.

506 **V. RAILROAD CUSTOMER ISSUES**

507 Q. What railroad customer issues do you address in your Surrebuttal Panel Testimony?

508 A. We address the following railroad customer issues raised in the rebuttal panel testimony
509 of CTA witnesses Messrs. Anosike and Zika:

- 510 • Reserved distribution system capacity charge;
- 511 • Standard service for railroad customers; and
- 512 • Retention of the railroad customer contracts.

513 Q. Do you address all of the railroad customer issues in your Surrebuttal Panel Testimony
514 that CTA witnesses Messrs. Anosike and Zika now raise?

515 A. No. Although we address most of those railroad customer issues, the Surrebuttal
516 Testimony of Mr. Crumrine, in conjunction with our Surrebuttal Panel Testimony,

517 addresses the CTA's assertion that the Commission should utilize IIEC's proposal for
518 customers with loads of 10 megawatts ("MW") or more as the basis for charges to
519 railroad customers. In addition, the Surrebuttal Testimony of Mr. Alan Heintz (ComEd
520 Ex. 42.0), also addresses issues related to ComEd's embedded cost of service study
521 ("ECOSS") raised by CTA witnesses Messrs. Anosike and Zika and provides an ECOSS
522 for illustrative purposes (ComEd Ex. 42.1) that we used to prepare ComEd Exhibit 41.7
523 and ComEd Exhibit 41.8.

524 Q. CTA panel witnesses Messrs. Anosike and Zika assert that charges for reserved
525 distribution system capacity are inappropriate and improper. (CTA Ex. 3.0, 12:311-
526 21:527). How do you respond?

527 A. As we have previously explained in our Direct Panel Testimony and reiterate herein,
528 ComEd's reserved distribution system capacity charge is not new. (*See* ComEd Ex.
529 10.14, page 3 of 5). Reservation of distribution system capacity is a nonstandard service
530 under ComEd's existing Rider 6 and under ComEd's proposed Rider NS.

531 In his direct testimony, Staff witness Mr. Hanson agreed that "ComEd is certainly
532 entitled to recover its costs for such capacity" (Staff Ex. 7.0, 9:192), although
533 Mr. Hanson went on to express concern that the proposed language in Rider NS related to
534 reserved distribution system capacity could give ComEd the flexibility to charge other
535 costs along with tariff rates. (*Id.*, 9:195-198). Mr. Hanson's concern was addressed in
536 our Rebuttal Panel Testimony. (*See* ComEd Ex. 24.0, 22:560-568). In his rebuttal
537 testimony, Mr. Hanson testified that the changes to Rider NS with respect to reserved
538 distribution system capacity that ComEd proposed in its rebuttal testimony sufficiently
539 address his concern. (*See* Staff Ex. 18.0, 2:20-27).

540 Q. CTA panel witnesses Messrs. Anosike and Zika testify that “ComEd’s request to
541 establish a reserved distribution system capacity charge under its proposed Rider NS
542 should be rejected by the Commission.” (CTA Ex. 3.0, 2:32-33). How do you respond?

543 A. To be clear, the reserved distribution system capacity charge is not new, as CTA’s
544 testimony suggests. As previously set forth in our Direct Panel Testimony, the inclusion
545 of the language regarding reserved distribution system capacity in ComEd’s proposed
546 Rider NS is a clarification of its *established* practice to charge for requests that require
547 such capacity be reserved. (See ComEd Ex. 10.14, page 3 of 5). We have addressed the
548 concern raised by Staff witness Mr. Hanson and we address each of the CTA’s additional
549 opposing arguments that were raised in CTA’s rebuttal panel testimony in more detail
550 later in this Surrebuttal Panel Testimony. As our Surrebuttal Panel Testimony that
551 follows shows, each of the CTA’s additional opposing arguments are without merit.
552 Consequently, ComEd’s proposed clarification to Rider NS to explicitly describe
553 reserved distribution system capacity as a nonstandard service, as amended to address
554 Staff witness Mr. Hanson’s concern, is appropriate and should be approved by the
555 Commission.

556 Q. How do you respond to the assertion of CTA panel witnesses Messrs. Anosike and Zika
557 that charges for reserved distribution system capacity are not authorized under its contract
558 with ComEd? (CTA Ex. 3.0, 12:314-17:422).

559 A. These witnesses ignore the fact that the 1998 amendment to CTA’s contract specifically
560 incorporated Rider 6.

561 Q. How does the incorporation of Rider 6 in the 1998 amendment to CTA’s contract affect
562 CTA’s assertions regarding charges for reserved distribution system capacity?

563 A. By incorporating Rider 6, the 1998 amendment to the CTA contract adopted a single
564 point of service standard for the entire CTA traction power system load consistent with
565 standard service under ComEd's Rate 6L – Large General Service (“Rate 6L”), which
566 was a fundamental concept for the 1998 Amendment. Thus, reserved distribution system
567 capacity that ComEd provided for new load thereafter became nonstandard under the
568 1998 amendment. In addition, since 1998, ComEd has applied and CTA has paid
569 nonstandard services and facilities charges for services based on the single electric
570 service station standard consistent with Rate 6L and Rider 6.

571 Q. Do you agree with the claim of CTA panel witnesses Messrs. Anosike and Zika that
572 charges for reserved distribution system capacity must be in a tariff? (CTA Ex. 3.0,
573 17:424-19:485).

574 A. No. To paraphrase what was stated in our Rebuttal Panel Testimony: Requests for
575 reserved distribution system capacity are relatively few in number and each request is
576 unique to the particular circumstances for the specific project. (ComEd Ex. 24.0, 20:516-
577 523). Thus, the costs and corresponding charges for each request are appropriately
578 determined on an individual basis, just like other nonstandard services and facilities.

579 Q. CTA witnesses Messrs. Anosike and Zika raise several operational issues with respect to
580 ComEd's reserved distribution system capacity charge, including: ComEd's service
581 configuration for a CTA traction power substation benefits customers other than the CTA
582 (CTA Ex. 3.0, 16:392-397); the February 21, 2004 fire at the CTA Ravenswood traction
583 power substation demonstrates that the “reserved capacity” simply was not there (CTA
584 Ex. 3.0, 20:487-500); ComEd does not keep records of which customers it has charged a
585 'reserved distribution capacity charge' or the facilities involved, so how can it assure the

586 Commission that the capacity for which it assesses the fee is actually reserved (CTA
587 Ex. 3.0, 17:413-417); and CTA must give ComEd 24-hour prior notice any time the CTA
588 wants to open the automatic breakers for scheduled maintenance and that such notice is
589 further evidence to support the rejection of the reserved distribution system capacity
590 charge (CTA Ex. 3.0, 17:419-422). How do you respond?

591 A. These operational issue are addressed in the Surrebuttal Testimony of Mr. David
592 DeCampli. (ComEd Ex. 31.0).

593 Q. Messrs. Anosike and Zika request that if the Commission approves the charge for
594 reserved distribution system capacity, then the method of payment should be at the
595 customer's discretion. (CTA Ex. 3.0, 20:502-21:527). How do you respond?

596 A. The selection of the payment method for the reserved distribution system capacity charge
597 currently is at the customer's discretion and ComEd is, at this time, amenable to
598 continuing to offer customers the same discretion to choose the payment method.

599 Q. Messrs. Anosike and Zika assert that "[t]he initial service line to each individual CTA
600 traction power substation should be considered standard service by ComEd and not
601 subject to the company's proposed Rider NS." (CTA Ex. 3.0, 2:34-36). How do you
602 respond?

603 A. ComEd is amenable to providing one service line to each individual CTA traction power
604 substation as a standard service, subject to Commission approval and contingent on
605 certain conditions described in more detail herein.

606 In addition, as discussed in more detail herein, the CTA recommendation for such
607 standard service to each CTA traction power substation is inconsistent with its

608 recommendation to retain the delivery class for customers with loads of 10 MW or
609 greater as proposed by IIEC and use the price for that class as the ceiling for the CTA's
610 distribution facilities charge.

611 Q. Is ComEd's agreement to provide one service line to each individual CTA substation as
612 CTA suggests (CTA Ex. 3.0, 21:537-22:540) subject to any conditions?

613 A. Yes. ComEd is amenable to providing one service line to each individual CTA traction
614 power substation, subject to Commission approval and contingent on the following
615 conditions:

- 616 • Each CTA traction power substation would be classified for purposes of applying
617 delivery service charges based upon the MKD at each such CTA traction power
618 substation;
- 619 • The standard service provided by ComEd would be only those off-property facilities
620 necessary to serve the incremental new traction power system load at the individual
621 CTA traction power substation;
- 622 • The standard service provided by ComEd for each CTA traction power substation
623 would be subject to a refundable advance deposit as provided in Rider DE –
624 Distribution System Extensions;
- 625 • The single point of delivery standard for the CTA's total traction power system load
626 provided for under the 1998 amendment of the CTA's contract would cease to be
627 effective;
- 628 • Each existing and new CTA traction power substation would be billed on a separate
629 retail customer account and the CTA could elect to receive a summary bill of such
630 accounts; and
- 631 • ComEd's offer and these same attendant conditions would apply to ComEd's other
632 railroad traction power customer, Northern Illinois Regional Commuter Railroad
633 Corporation ("NIRCRC"). This condition maintains consistency among similarly
634 situated railroad customers.

635 These conditions are consistent with the rate design to recover the cost of providing such
636 standard service to each individual railroad traction power substation and are also
637 consistent with the rate design and standard service provided for other retail customers

638 classified in the same customer class based upon the customer's MKD established at the
639 customer's individual premises.

640 Q. What types of service requests would ComEd consider nonstandard under its proposal to
641 provide one service line to each individual railroad traction power substation as standard?

642 A. The following are examples of service requests that ComEd would consider as
643 nonstandard under this proposal:

644 • The provision of a second service line to a new railroad traction power substation or
645 ComEd upgrades to continue providing a second service line to serve new load at an
646 existing railroad traction power substation, would be subject to nonrefundable
647 nonstandard services and facilities charges under Rider NS.

648 • Nonstandard services and facilities charges would apply under Rider NS for new or
649 revised service to railroad traction power substations under circumstances in which
650 the railroad's total integrated traction power system load is not reasonably expected to
651 increase, and in circumstances in which services or facilities in excess of the standard
652 service are required.

653 • The extension of ComEd service lines on railroad traction power substation property
654 for the purpose of providing service to such railroad traction power substation would
655 continue to be provided as nonstandard services and facilities under Rider NS.

656 • The provision of additional metering or relaying required to operate two ComEd
657 service lines in parallel through a closed circuit breaker system on the railroad's
658 electric bus at a new railroad traction power substation or to serve new load at an
659 existing railroad traction power substation, would be subject to nonstandard services
660 and facilities charges under Rider NS.

661 These types of service requests are consistent with: the provision of such nonstandard
662 services and facilities provided under Rider NS to other retail customers; relevant
663 provisions of the railroad contracts; as well as cost-causation and cost recovery-
664 principles.

665 Q. How does ComEd propose to implement this proposal?

666 A. Although ComEd has not identified all the specific tariff revisions that would be
667 necessary to implement this proposal, at a minimum, it would affect Rate RDS,

668 Rate BES-RR, and General Terms and Conditions. Furthermore, if this proposal is
669 implemented in conjunction with ComEd's proposal (described later herein) to
670 incorporate appropriate language in its General Terms and Conditions to clarify that the
671 relevant provisions of these railroad tariff contracts continue to apply in all circumstances
672 (*i.e.*, for situations in which the CTA or NIRCRC takes delivery service under Rate RDS
673 as well as for situations in which the CTA or NIRCRC takes bundled service from
674 ComEd), it would preclude the need to retain a separate railroad delivery class for
675 purposes of applying charges for delivery service and would also preclude the need for a
676 separate bundled service rate for railroad customers (*i.e.*, Rate BES-RR). Consequently,
677 if the Commission approves ComEd's offer to provide one service line to each individual
678 railroad substation and the attendant conditions in conjunction with ComEd's proposal to
679 incorporate appropriate language in its General Terms and Conditions to clarify that the
680 relevant provisions of these railroad tariff contracts continue to apply in all
681 circumstances, then ComEd would incorporate all appropriate tariff revisions in its
682 compliance filing at the conclusion of this Docket.

683 Q. Do you agree with Messrs. Anosike and Zika that the contract between the CTA and
684 ComEd should remain in effect after this Docket and should not be eliminated as a result
685 of this Docket? (CTA Ex. 3.0, 2:47-48).

686 A. As clarified in our Rebuttal Panel Testimony, ComEd is not proposing to eliminate the
687 CTA contract, or the other tariff contracts for the NIRCRC, the City of Chicago Street
688 Lighting ("CSL") or the Chicago Park District ("CPD"). (*See* ComEd Ex. 24.0, 7:185-
689 195, 9:248-250). In fact, in order to ensure that the relevant provisions of the CTA
690 contract, the NIRCRC contract, the CSL contract, and the CPD contract remain intact

691 under all circumstances (*i.e.*, for situations in which the CTA, NIRCRC, CSL, or CPD
692 takes delivery service under Rate RDS as well as for situations in which the CTA,
693 NIRCRC, CSL, or CPD takes bundled service from ComEd), ComEd proposes, subject to
694 the Commission's approval, to incorporate appropriate language in its General Terms and
695 Conditions that would make it clear that the relevant provisions of these tariff contracts
696 continue to apply in all such circumstances. If the Commission agrees that such a
697 revision is appropriate, ComEd proposes to include the appropriate revisions in its
698 compliance filing at the conclusion of this Docket.

699 Q. Messrs. Anosike and Zika recommend that the Commission should retain a separate
700 delivery class for customers with loads of 10 MW or greater as proposed by IIEC and use
701 the price for that class as the ceiling for the CTA's distribution facilities charge. (CTA
702 Ex. 3.0, 1:27-2:31). How do you respond?

703 A. Mr. Crumrine's Surrebuttal Testimony addresses the IIEC proposal to retain the delivery
704 class for customers with loads of 10 MW or greater. In his Surrebuttal Testimony,
705 Mr. Crumrine offers an alternative proposal in response to IIEC, which, for the reason
706 that Mr. Crumrine explains, is not being offered for the railroad customers. (ComEd
707 Ex. 40.0). Furthermore, the distribution facilities charge for railroad customers, such as
708 the CTA, should reflect the cost of serving the railroad customers, and not an arbitrary
709 price, as the CTA proposes. Finally, the CTA's desire to have its rates capped at
710 whatever charges are applied for other customers with loads of 10 MW or greater is
711 inconsistent with, and indeed is directly contrary to, the CTA's recommendation for
712 ComEd to provide one service line to each individual CTA traction power substation.

713 Q. Do you agree with the rebuttal panel testimony of CTA witnesses Messrs. Anosike and
714 Zika that compares CTA electric service rates and costs to other customers? (CTA
715 Ex. 3.0, 2:40-46).

716 A. No. CTA's comparison is inappropriate because it is not cost-based. CTA argues that
717 the CTA is served in the same way as other customers with loads of 10 MW or more and
718 thus their charges should be capped at whatever charges apply for such other customers.
719 The CTA is not served in the same way as other customers with loads of 10 MW.
720 Together, the CTA and NIRCRC receive service for traction power at 70 different
721 locations in ComEd's service territory. The load at each traction power substation is
722 typically 1 to 5 MW and, although the load at a few locations is higher or lower, none
723 exceed 10 MW individually. Other customers with loads of 10 MW or more are typically
724 served at a single premises. Furthermore, each of those 70 railroad traction power
725 substations is served through two ComEd 12,000 volt lines. Whereas, most other
726 customers with loads of 10 MW or more that are not in the High Voltage Delivery Class
727 are typically served through one or two 34,000 volt ComEd lines or one to five 12,000
728 volt ComEd lines. The comparison that CTA makes is inappropriate and should be
729 ignored.

730 Q. Has ComEd determined the charges that would apply to customers if the Commission
731 accepts the alternative proposal that Mr. Crumrine offered in response to IIEC, DOE, and
732 BOMA and the proposal offered herein to provide the railroad customers one service line
733 to each individual railroad traction power substation as standard?

734 A. Yes. Attached as ComEd Exhibit 41.7 is a illustrative rate design spreadsheet that
735 provides the determination of charges that would result under ComEd's proposal to

736 temporarily retain the over 10 megawatt customer class and phase-in cost-based rates as
737 described in Mr. Crumrine's Surrebuttal Testimony (ComEd Ex. 40.0), together with
738 ComEd's proposal offered herein to provide railroad customers with one service line as
739 standard for each individual CTA traction power substation as the CTA has requested.
740 The embedded cost of service study for illustrative purposes used to prepare ComEd
741 Exhibit 41.7 is ComEd Exhibit 42.1 attached to the Surrebuttal Testimony of Mr. Heintz.
742 (ComEd Exhibit 42.0).

743 Q. How would you summarize ComEd's position with respect to the issues that the CTA has
744 raised?

745 A. First, the CTA arguments opposing ComEd's reserved distribution system capacity
746 charge are without merit. Thus, ComEd's proposed clarification to Rider NS to explicitly
747 describe reserved distribution system capacity as a nonstandard service, as amended to
748 address Staff witness Mr. Hanson's concern, is appropriate and should be approved by
749 the Commission.

750 Second, ComEd's proposal to provide one service line to each individual railroad traction
751 power substation as standard, as offered herein, is just and reasonable and should be
752 approved by the Commission. However, if the Commission should disagree, then
753 ComEd's single point of delivery standard for a railroad customer's total traction power
754 system load as provided in ComEd's original filing in this Docket should be approved.

755 Third, ComEd's proposal to incorporate appropriate language in its General Terms and
756 Conditions that would make it clear that the relevant provisions of the CTA, NIRCRC,
757 CSL, and CPD tariff contracts continue to apply in all circumstances (*i.e.*, delivery

758 service or bundled service) is just and reasonable and should be approved by the
759 Commission.

760 Finally, the CTA comparisons of CTA rates with those for other customers with loads of
761 10 MW or more are not cost-based and, thus, the CTA proposal to have CTA charges be
762 capped at whatever charges apply for such other customers is inappropriate and should be
763 rejected.

764 **VI. PUMPING CUSTOMER ISSUES**

765 Q. IAWA witness Mr. Menninga testifies that its members purchase electricity under a
766 number of different existing tariffs, including Rate 24, Rate 6, Rate 6L, Rate RCDS, and
767 associated Riders and it is not his intent to represent all customers under any of these
768 rates. (IAWA Menninga Reb., Ex. 2.0, Ins. 36-38). How do you respond?

769 A. Much of Mr. Menninga's testimony goes to clarifying his direct testimony in that his
770 assertions only applied to wastewater utilities taking service under Rate 6L. We again
771 note that there are currently fewer than 650 customers on Rate 6L and only a small
772 number of these are wastewater utilities. With respect to the basis for the MKD, as
773 defined in ComEd's proposed General Terms and Conditions, Mr. Crumrine has
774 addressed these issues in his Direct, Rebuttal, and Surrebuttal testimonies. (ComEd
775 Ex. 9.0 Corrected; ComEd Ex. 23.0; ComEd Ex. 40.0).

776 Q. Does IAWA witness Mr. Menninga raise any new issues in his rebuttal testimony?

777 A. No. He continues to assert that the loss of the ability to aggregate pumping facilities
778 within a corporate boundary is a departure from the existing tariff structures, and that the
779 members of IAWA incur an additional direct and indirect cost. In particular,
780 Mr. Menninga complains about paying a separate customer charge at each pumping

781 location (which Mr. Menninga describes as a direct cost) and the “additional accounting
782 labor needed to process separate accounts under the proposed tariff” (which
783 Mr. Menninga describes as an indirect cost). (IAWA Menninga Reb., Ex. 2.0, Ins.
784 44-50). Mr. Menninga apparently misunderstands that the customer-related costs that
785 ComEd incurs for serving pumping customers is simply being recovered from pumping
786 customers under the proposed tariffs in a different manner than those costs had been
787 recovered in the past. Namely, such customer-related costs for pumping customers are
788 recovered under the proposed tariffs in the same fashion as ComEd recovers such
789 customer-related costs from other customers—through a Customer Charge. As for the
790 indirect costs that Mr. Menninga alludes to for the “additional accounting labor needed to
791 process separate accounts under the proposed tariff” (*Id.*, Ins. 49-50), ComEd currently
792 has available a summary billing option that provides a summary statement of multiple
793 accounts for a single entity receiving service at multiple locations in ComEd’s service
794 territory. Consequently, Mr. Menninga’s complaint about additional accounting labor for
795 the pumping customer is without merit.

796 Q. Mr. Menninga asserts that there is confusion created in our Rebuttal Panel Testimony
797 regarding his calculation of the impacts of elimination of the Pumping Class on
798 wastewater agencies. This is because “[s]ome members take service under existing Rate
799 24, primarily in instances where the load factor is roughly 50% or lower.” (IAWA
800 Menninga Reb., Ins. 62-67). How do you respond?

801 A. Mr. Menninga clarifies that his testimony in regard to Rate 24 is only offered on behalf of
802 IAWA members and not all customers taking service under Rate 24. Mr. Menninga
803 asserts that IAWA’s members taking service under Rate 24 have lower load factors

804 (50%) than the typical customer on Rate 24 (64%). Mr. Menninga does not provide any
 805 support for this assertion nor does he indicate the number of IAWA members he is
 806 representing that select service under Rate 24, rather than Rate 6L.

807 Q. Mr. Menninga provides an amended Table 1 in his rebuttal testimony using the existing
 808 Rate RCDS distribution rates suggested in our Rebuttal Panel Testimony (ComEd
 809 Ex. 24.0: 49:1225-1229) and reiterates his claim that the percent increase over the
 810 existing interim distribution charge is higher than the overall ComEd increase. (IAWA
 811 Menninga Reb., ln. 76, Table 1). How do you respond?

812 A. While individual Rate 24 customers with load factors different than the typical Rate 24
 813 customer will experience rate increase impacts greater than or less than the typical
 814 Rate 24 customer, Table 1 below shows the impact to the typical Rate 24 customer to be
 815 far less than the overall average increase.

Table 1

| Average Load Factor | kWhs | kW | Current Delivery Cost Under Rate RCDS | Proposed Delivery Cost Under Rate RDS | Percent Change |
|--------------------------------|------------------------------------|-------|---------------------------------------|---------------------------------------|-------------------|
| (a) | (b) = ((a) x 24 hrs x 30 days)/(c) | (c) | (d) = (b) x \$0.01146 | (e) = (c) x (RDS class demand charge) | (g) = (e)/(d) - 1 |
| 64.5% | 116,100 | 250 | \$ 1,330.51 | \$ 1,337.50 | 0.5% |
| 64.5% | 232,200 | 500 | \$ 2,661.01 | \$ 2,835.00 | 6.5% |
| 64.5% | 2,322,00 | 5,000 | \$ 26,610.12 | \$ 27,250.00 | 2.4% |
| Average Overall ComEd Increase | | | | | 20.6% |

817 Q. Mr. Menninga responds to the rebuttal testimony of Mr. Crumrine regarding the
 818 application of ComEd's proposed MKD—that is, based upon the customer's highest
 819 30-minute demand in the monthly billing period. (IAWA Menninga Reb., lns. 77-86).
 820 Has ComEd determined the impact on the tariffs filed in this Docket if the Commission
 821 ordered ComEd to implement an MKD based upon the existing demand peak period?

822 A. ComEd has identified four major categories of changes to ComEd's proposed tariffs that
823 would be needed.

824 First, the definition of MKD in ComEd's General Terms and Conditions would need to
825 be changed.

826 Second, the charges for Rate RDS would need to be changed to reflect revised billing
827 determinants for the revised definition of the MKD.

828 Third, as Mr. Crumrine explains in his Surrebuttal Testimony (ComEd Ex. 40.0), the
829 definitions of Delivery Service Customer Classes in Rate RDS and General Terms and
830 Conditions would need to be changed to properly reflect the determination of the Small,
831 Medium, Large, and Very Large Load Delivery Classes on the basis of the highest MKD
832 in the past 12 monthly billing periods, rather than on the basis of the highest 30-minute
833 demand in the past 12 monthly billing periods.

834 Fourth, as Mr. Crumrine also explains in his Surrebuttal Testimony (ComEd Ex. 40.0),
835 the provisions for determining standard distribution facilities contained in General Terms
836 and Conditions would need to be changed to properly reflect such determination on the
837 basis of the highest MKD in the past 12 monthly billing periods, rather than on the basis
838 of the highest 30-minute demand in the past 12 monthly billing periods.

839 Q. Has ComEd determined the charges for Rate RDS which reflect revised billing
840 determinants for the revised definition of the MKD?

841 A. Yes. ComEd has prepared a table that provides the illustrative charges that would result
842 using billing determinants based upon the existing demand peak period definition. That
843 table is attached as ComEd Exhibit 41.8. ComEd Exhibit 42.1, which is attached to the

844 Surrebuttal Testimony of Mr. Heintz (ComEd Ex. 42.0), was used to prepare ComEd
845 Exhibit 41.8.

846 Q. Has ComEd prepared an exhibit showing the other specific tariff changes required?

847 A. No. Although we have identified the major categories of tariff changes that would be
848 required, the specific individual tariff changes required would be numerous and further
849 review is needed to identify other minor tariff changes that might also be required.
850 Consequently, ComEd would provide all such changes in its compliance filing if the
851 Commission finds it appropriate to use the existing peak period to define the MKD, the
852 Delivery Service Customer Classes, and the basis for standard distribution facilities.

853 **VII. MISCELLANEOUS ISSUES**

854 Q. Mr. Chalfant criticizes the basis for Mr. Crumrine's statement in Rebuttal Testimony that
855 "the illustrative ECOSS indicates that the distribution facilities costs for the over 10 MW
856 (\$5.46/kW) and the 1-10 MW class (\$5.45/kW) are virtually identical." (*See* ComEd
857 Ex. 23.0, 25:527-529; IIEC Ex. 6.0, 4:58-68). In particular, Mr. Chalfant presented
858 calculations in a Table 1 in which he claims that the costs for the over 10 MW class and
859 the 1-10 MW class are much different than those Mr. Crumrine provided. (IIEC Ex. 6.0,
860 4:Table 1). Mr. Chalfant goes on to say that Mr. Crumrine is "clearly incorrect" and
861 "apparently divided costs by some measure of demand other than billing units." (*See Id.*,
862 4:64, 67-68). How do you respond?

863 A. We provided the billing units to support Mr. Crumrine's statement. It is true and
864 appropriate that we used billing units different from those used by Mr. Chalfant. It is
865 inappropriate to use the billing units Mr. Chalfant used, and it is Mr. Chalfant's Table 1
866 in his rebuttal testimony that contains errors. (*Id.*, 4:Table 1). Mr. Chalfant used billing

867 units that are based upon the currently effective demand peak period and upon current
868 definitions of customer classes that are determined using the currently effective demand
869 peak period. The billing determinants Mr. Chalfant used also do not appropriately
870 account for the elimination of the pumping class. On the other hand, ComEd correctly
871 used billing units based upon its proposal in this case. The error in Mr. Chalfant's
872 Table 1 is readily apparent in looking at the sum of the billing determinants for the
873 hypothetical 1 – 10 MW class and the hypothetical Over 10 MW class. He provides a
874 sum of his billing units for the hypothetical 1-10 MW class (37,621,870 kW) and the
875 hypothetical Over 10 MW class (9,44,662 kW) equal to 47,066,532 kW. In our initial
876 filing, with a single class for all customers over 1 MW, the billing units sum to
877 50,945,513 kW for the 2004 test year. This value is shown in the rate design spreadsheet
878 in ComEd Exhibit 10.9, and is in compliance with the minimum filing requirements
879 (Schedule E-4) for the proposed rates. In separating that single class for all customers
880 over 1 MW into a 1-10 MW and an Over 10 MW class, the sum of the billing units for
881 the two classes needs to total the billing units for the single class for all customers over
882 1 MW (50,945,513 kW). Mr. Chalfant's values do not add up and are in error. There are
883 other errors in Mr. Chalfant's Table 1. He uses the sum of customer + meter +
884 distribution related costs from the ECOSS in his column (4). The total he shows is
885 \$289,599,433 (*i.e.*, sum of \$241,201,809+\$48,397,624) and he specifically refers to these
886 costs as demand costs. In that total, he inappropriately included costs that are allocated
887 based upon customers with costs that are allocated based upon demand. He should have
888 used only the distribution related costs which are \$229,652,171 + \$48,036,314 for a total
889 of \$277,688,485. Mr. Chalfant's Table 1 contains values that are not accurate and that

890 are misrepresented. His computations are erroneous and misleading and should be
891 ignored.

892 Q. Are you sponsoring a calculation that provides the estimated 2005 revenue associated
893 with the addition of new customers which Mr. DeCampli references in his Surrebuttal
894 Testimony? (ComEd Ex. 31.0).

895 A. Yes. In his response to the rebuttal testimonies of CUB-CCSAO witness Mr. McGarry
896 (CUB-CCSAO Ex. 5.0) and AG witness Mr. Effron (AG Ex. 3.0), Mr. DeCampli
897 (ComEd Ex. 31.0) references a calculation that provides the estimated 2005 revenue
898 associated with the addition of new customers. This calculation is contained in attached
899 ComEd Exhibit 41.9, which provides the estimated 2005 revenue associated with the
900 addition of new customers in 2005.

901 Q. Do you have a recommendation concerning when ComEd should make its compliance
902 filing after the Commission enters an order in this proceeding?

903 A. Yes. Given the magnitude of changes being proposed by various parties in this
904 proceeding as well as the fact that the final Commission Order is scheduled to be entered
905 several months in advance of the beginning date on which charges under the proposed
906 tariffs would apply (*i.e.*, January 2, 2007), ComEd requests 30 days from the time the
907 order is entered to file its compliance tariffs. The Commission should also allow Staff
908 sufficient time thereafter to review ComEd's compliance filing before the tariff sheets
909 would become effective.

910 In addition, we also want to reiterate our two housekeeping proposals regarding ComEd's
911 proposed rates. (*See* ComEd. Ex. 10.0, 9:216-231). First, because ComEd's current set
912 of rates will remain in ComEd's Schedule of Rates, but will no longer be operational at

913 the end of the mandatory transition period, ComEd proposes that the Commission, in its
914 order in this proceeding, direct ComEd to file a new Schedule of Rates with a new
915 schedule number (*e.g.*, Schedule ILL. C.C. No. “XX”) within a reasonably short period of
916 time after the mandatory transition period ends (*e.g.*, within eight months). These new
917 rates will supersede all of ComEd’s then-effective tariffs and replace them with a new set
918 of tariffs that duplicates the then-effective tariffs that will remain operational in the post-
919 transition period.

920 Second, to facilitate a customer’s ability to locate information in the new Schedule of
921 Rates, ComEd requests that the Commission’s order in this proceeding provide a variance
922 to the tariff sheet numbering requirements contained in 83 Illinois Administrative Code
923 255.30(c), and instead, allow ComEd to file its new post-2006 Schedule of Rates (*i.e.*,
924 Schedule ILL. C.C. No. “XX”) using the proposed tariff sheet numbering structure shown
925 in ComEd Ex. 10.5.

926 Q. Does this conclude your surrebuttal testimony?

927 A. Yes.