

Commonwealth  
Edison Company

ELECTRICITY 2nd Revised Sheet No. 245  
(Canceling 1st Revised Sheet No. 245)

## RIDER CPP - COMPETITIVE PROCUREMENT PROCESS

(Continued from Sheet No. 244)

### APPLICABILITY

\* Rider CPP is applicable to any Company tariff that (1) obligates the Company to procure for and provide to retail customers full requirements electric supply or directly procured electric power and energy, as applicable, on a bundled or unbundled basis, and (2) refers to this rider or any portion of this rider, or any data calculated or otherwise derived under or in accordance with this rider. Notwithstanding the previous sentence, no retail tariff charge computed in accordance with the provisions of this rider is applicable for service provided prior to January 2, 2007.

### PURPOSE

Rider CPP describes a competitive procurement process which employs an annual auction conducted by an independent auction manager in which registered bidders vie for the opportunity and obligation to provide full requirements electric supply in amounts sufficient to serve percentage shares of the Company's retail full requirements electric supply requirements for specified, varying durations. Through the implementation of this competitive procurement process, the Company and suppliers enter into wholesale contracts that contain the terms, conditions, and prices under which the Company procures full requirements electric supply from such suppliers. Rider CPP defines criteria that such process must meet in order for such contract terms and prices to be used as provided in this rider and also includes computations that provide for seasonal differentiation in the payments to suppliers provided for in such contracts. Rider CPP provides for appropriate determination, on a periodic basis and in a transparent manner, of the market value of electric power and energy as a function of market traded contracts that meet the requirements herein. These contracts also establish the Company's costs of procurement under this tariff. Rider CPP establishes the methodologies by which such market values, which are equivalent to the Company's costs of such procurement, are translated into seasonal and peak and off-peak values, as applicable, for use in calculating individual supply-related charges in the Company's retail tariffs to which this rider is applicable. Such methodologies take into account relevant characteristics of retail customers in the Company's service territory and are described through formulae provided herein. Rider CPP provides mechanisms to ensure the Company does not over or under recover such procurement costs due to changes in customer usage and demand patterns and during temporary employment, in the specified contingencies, of the other specific wholesale market competitive procurement processes provided for herein.

(Continued on Sheet No. 246)

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Retail charges computed in accordance with this rider become operational and are applicable for service provided on and after January 2, 2007.

Commonwealth  
Edison Company

ELECTRICITY 2nd Revised Sheet No. 247  
(~~Canceled 1st Revised Sheet No. 247~~)

## RIDER CPP - COMPETITIVE PROCUREMENT PROCESS

(Continued from Sheet No. 246)

### DEFINITIONS (CONTINUED)

#### GENERAL DEFINITIONS (CONTINUED).

##### \* Determination Period

Determination period means the calendar month for which an Accuracy Assurance Factor (AAF) is determined for retail customers for which the Company procures full requirements electric supply or directly procured electric power and energy, as applicable, as described in the CPP Blended Segment subsection of the CPP Annual Segment subsection of the General Process section of the Competitive Procurement Process part of this rider. ~~Determination period means the calendar year for which twelve (12) AAFs are determined for retail customers for which the Company procures full requirements electric supply as described in the CPP Hourly Segment subsection of such General Process section.~~

##### **Effective Period**

\* Effective period means the monthly billing period during which an AAF is applied to kilowatt-hours (kWhs) provided to retail customers. ~~With respect to retail customers for which the Company procures full requirements electric supply as described in the CPP Blended Segment subsection of the CPP Annual Segment subsection of the General Process section of the Competitive Procurement Process part of this rider, the effective period is the monthly billing period occurring two (2) months after the determination period, and the March 2007 monthly billing period is the first such effective period.~~ ~~With respect to retail customers for which the Company procures full requirements electric supply as described in the CPP Hourly Segment subsection of such General Process section, there are twelve (12) effective periods for each determination period, and the February 2008 monthly billing period is the first such effective period.~~

##### **End of Business**

End of business means 5:00 P.M. CPT.

##### **FERC**

FERC means Federal Energy Regulatory Commission or any successor federal agency, commission, or department.

##### **Fixed Price Section**

Fixed Price Section means the part of the Illinois Auction through which auction products are procured for which charges to retail customers are fixed for specified periods of time.

##### **Full Requirements Electric Supply**

Full requirements electric supply means all the component services the Company requires to meet retail customer instantaneous electric power and energy requirements at any given time under the Company's tariffs, applicable tariffs on file with the Federal Energy Regulatory Commission (FERC), and other applicable law. Such components include, without limitation, all required electric energy, including energy required to satisfy losses, electric generation capacity, and volumetric risk management. Providing or supplying full requirements electric supply to the Company also includes the responsibility to arrange for, acquire, and pay for those transmission services and ancillary

(Continued on Sheet No. 248)

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ELECTRICITY

2nd Revised Sheet No. 247

(Canceling 1st Revised Sheet No. 247)

**RIDER CPP - COMPETITIVE PROCUREMENT PROCESS**

(Continued from Sheet No. 246)

transmission services specified in the applicable Supplier Forward Contract (SFC), in each case in accordance with the SFC and the applicable tariffs on file with the FERC.

(Continued on Sheet No. 248)

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Commonwealth  
Edison CompanyELECTRICITY 2nd Revised Sheet No. 269  
(Canceling 1st Revised Sheet No. 269)**RIDER CPP - COMPETITIVE PROCUREMENT PROCESS**

(Continued from Sheet No. 268)

**COMPETITIVE PROCUREMENT PROCESS (CONTINUED)****CPP DOCUMENTS (CONTINUED).****Public Report Of The Auction Manager**

The Public Report of the Auction Manager is made available no earlier than thirty (30) calendar days prior to the date that the Company is scheduled to begin procuring full requirements electric supply in accordance with SFCs executed following the applicable Dates of Declaration of a Successful Result, as described in the CPP Timeline section of this Competitive Procurement Process part. This report provides a summary of the events and activities that occurred during the course of the auction process, with particular emphasis on how various activities and events affected the overall success of the process. It also includes a list of the winning bidders, number of tranches won, and the final auction price for each product. The report also details any suggestions for improvement identified by the Auction Manager and any recommendations the Auction Manager has for future implementation of the auction process. This report is made available to any interested entity and is posted on a publicly accessible web site.

**Public Report Of The Staff**

In accordance with the ICC's Order entered in Docket No. 05-0159, the Public Report of the Staff is made available no earlier than thirty (30) calendar days prior to the date that the Company is scheduled to begin procuring full requirements electric supply in accordance with SFCs executed following the applicable Dates of Declaration of a Successful Result, as described in the CPP Timeline section of this Competitive Procurement Process part. This report provides an assessment of the conduct of the Illinois Auction, including a review of the Auction Manager's actions. The report also details any suggestions for improvement identified by the Staff and any recommendations the Staff has for future implementation of the auction process. This report is made available to any interested entity and is posted on a publicly accessible web site.

**\* Retail Supply Charge Informational Filing**

The Retail Supply Charge Informational Filing is a document prepared by the Company and filed for informational purposes with the ICC in a timely manner in accordance with the provisions of the CPP Timeline section of this Competitive Procurement Process part. It provides the retail supply charges by customer supply group with differentiations by season and for time of use, as applicable, computed in accordance with the provisions of the Translation to Retail Charges part of this rider. The charges provided in the document are applicable to retail customers for which the Company procures full requirements electric supply or directly procured electric power and energy, as applicable, during a period that starts at the beginning of the June monthly billing period following the applicable ~~Date of Declaration of a Successful Result~~ that the Retail Supply Charge Informational Filing is filed with the ICC and extends through the end of the following May monthly billing period.

(Continued on Sheet No. 270)

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**RIDER CPP - COMPETITIVE PROCUREMENT PROCESS**

(Continued from Sheet No. 269)

**COMPETITIVE PROCUREMENT PROCESS (CONTINUED)****CPP DOCUMENTS (CONTINUED).****\* Retail Supply Charge Informational Filing (Continued)**

Notwithstanding the previous provisions of this Retail Supply Charge Informational Filing subsection paragraph, (a) following the applicable date that the Retail Supply Charge Informational Filing for the Fixed Price Section is filed with the ICC in 2006 of Declaration of a Successful Result for the initial Illinois Auction, such charges are applicable to retail customers for which the Company procures full requirements electric supply during a period that starts January 2, 2007, and extends through the end of the May 2008 monthly billing period, and (b) (i) following the date that the Retail Supply Charge Informational Filing for the Hourly Price Section is filed with the ICC in 2006, such charges are applicable to retail customers for which the Company directly procures electric power and energy supply during a period that starts January 2, 2007, and extends through the end of the May 2007 monthly billing period, and (ii) following the date that the Retail Supply Charge Informational Filing for the Hourly Price Section is filed with the ICC in 2007, such charges are applicable to retail customers for which the Company directly procures electric power and energy supply during a period that starts with the June 2007 monthly billing period and extends through the end of the May 2008 monthly billing period.

**Supplier Forward Contract**

SFCs are the contracts that provide the terms and conditions under which the Company procures, from suppliers on a wholesale basis, the full requirements electric supply that it requires for retail customers. SFCs are subject to the jurisdiction of the FERC. The SFCs are consistent with the terms and conditions set forth in this rider.

The Company, in coordination with the Auction Manager and the Staff, develops a separate standard SFC applicable to the CPP Blended Segment, the CPP Annual Segment, and the CPP Hourly Segment. Each such SFC is filed with the ICC for informational purposes and made available to the public, including prospective bidders, in accordance with the provisions of the CPP Timeline section of this Competitive Procurement Process part. Each SFC includes provisions regarding the obligations of the Company and the supplier; procedures and rules pertaining to the operational aspects of the provision of full requirements electric supply; credit requirements; payment terms; and details pertaining to the administration of the contract.

Each SFC obligates the supplier that is bound by such SFC to provide firm, full requirements electric supply, in each hour, and delivered to the Company's electric system as described in such SFC, sufficient to meet a specified percentage share of the full requirements electric supply required by the Company, in each such hour, for retail customers. Suppliers assume all volumetric risk associated with the full requirements electric supply required by the Company to serve such retail customers, including any risk associated with customer switching to or away from any applicable Company tariffed service.

Each SFC has provisions regarding payments to the supplier that is bound by such SFC. The Company makes payments to such supplier. The unit payment price is equal to the applicable final auction price adjusted for seasonality in accordance with the provisions of the Seasonal Payment Factor Computation section in the Translation to Retail Charges part of this rider.

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Edison Company

ELECTRICITY

2nd Revised Sheet No. 271

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**RIDER CPP - COMPETITIVE PROCUREMENT PROCESS**

(Continued from Sheet No. 270)

**COMPETITIVE PROCUREMENT PROCESS (CONTINUED)**

**CPP DOCUMENTS (CONTINUED).**

**Supplier Forward Contract (Continued)**

Each SFC has provisions regarding the payment by the supplier to the Company of a Supplier Fee. The Supplier Fee is set at a level such that, when the revenue from such fee is combined with the revenue from the Bid Participation Fee, the total revenue is sufficient to appropriately compensate the Company for anticipated third-party expenses associated with the auction process, including the cost of the Auction Manager, consultants, if any, retained by the Staff to assist in the auction process, and the expenses associated with the promotion, conduct, and review of the Illinois Auction. The Supplier Fee includes adjustments, as applicable, to reflect the amount by which any previous accumulated fees provided for over or under recovery of previous auction and associated review expenses, as well as to accommodate any change in current auction process expenses.

**Translation Documents**

The Translation Documents provide the mechanism by which retail supply charges are determined based upon the final auction prices of the applicable auction products. The Translation Documents include spreadsheets that utilize information obtained as described in the Customer Supply Group Information and the Market Cost Information sections of the Translation to Retail Charges part of this rider. The spreadsheets incorporate the formulae provided in the Market Cost Computations, Seasonal Payment Factor Computation, Market Value, and Supply Charge Computation sections of such Translation to Retail Charges part. The Company prepares the Translation Documents and submits them to the Auction Manager in a timely manner in accordance with the provisions of the CPP Timeline section of this Competitive Procurement Process part. The Auction Manager then makes the Translation Documents available to any interested entity.

**CREDIT REQUIREMENTS.**

The SFCs provide for the identification and assessment of financial exposure due to supplier nonperformance in the following manner:

**SFCs Associated with the CPP Blended Segment and the CPP Annual Segment**

SFCs associated with the CPP Blended Segment and the CPP Annual Segment rely on the practice of marking the contracts to market. Each such SFC includes provisions that impose a daily margining that includes a Mark-to-Market Exposure Amount (MtMEA) on the supplier bound by such SFC. The MtMEA incorporates a daily estimate of the immediate replacement cost of the SFC less any amount due to the supplier for provision of full requirements electric supply. The MtMEA methodology is described in detail in each such SFC.

**SFCs Associated with the CPP Hourly Segment**

Each SFC associated with the CPP Hourly Segment imposes a single base exposure amount, the Credit Exposure, to cover credit risks. There is no need for any such SFC to include provisions to impose a daily margining that includes an MtMEA because payments to a supplier bound by any such SFC already fluctuate in accordance with PJM spot market prices.

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ELECTRICITY 2nd Revised Sheet No. 280  
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## RIDER CPP - COMPETITIVE PROCUREMENT PROCESS

(Continued from Sheet No. 279)

### COMPETITIVE PROCUREMENT PROCESS (CONTINUED)

#### CPP TIMELINE (CONTINUED).

The Company submits the applicable Retail Supply Charge Informational Filing to the ICC no later than nine (9) business days following the associated Date of Declaration of a Successful Result.

\* In 2006, the Retail Supply Charge Informational Filing for the Hourly Price Section must be filed with the ICC no later than three (3) business days after the effective date of 2nd Revised Sheet No. 280, and such Retail Supply Charge Informational Filing must be superceded by a Retail Supply Charge Informational Filing filed with the ICC no later than three (3) business days after the conclusion of the applicable PJM capacity auction conducted for the 2007-2008 PJM Planning Year. The Final Auction Price (FAP) utilized in each such Retail Supply Charge Informational Filing is the FAP determined in accordance with the applicable provisions of the CPP Hourly Segment Market Value subsection of the Market Value section of the Translation to Retail Charges part of this rider.

The election period for Rider PPO-MVM – Power Purchase Option (Market Value Methodology) (Rider PPO-MVM) begins the first business day following the date the Company submits the applicable Retail Supply Charge Informational Filing to the ICC and extends for forty-five (45) calendar days if the retail customer's highest thirty (30) minute demand for the twelve (12) monthly billing periods used to determine the supply group applicable to such retail customer did not exceed 3,000 kW, except that for the initial CPP such period of time extends for fifty (50) calendar days for any such retail customer. Otherwise, such period of time extends for thirty (30) calendar days.

The election period for Rate BES-NRA - Basic Electric Service - Nonresidential (Annual) (Rate BES-NRA) begins the first business day following the date the Company submits the applicable Retail Supply Charge Informational Filing to the ICC and extends for forty-five (45) calendar days if the retail customer's highest thirty (30) minute demand for the twelve (12) monthly billing periods used to determine the supply group applicable to such retail customer did not exceed 3,000 kW, except that for the initial CPP such period of time extends for fifty (50) calendar days for any such retail customer. Otherwise, such period of time extends for thirty (30) calendar days.

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ELECTRICITY 2nd Revised Sheet No. 281  
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**RIDER CPP - COMPETITIVE PROCUREMENT PROCESS**

(Continued from Sheet No. 280)

**COMPETITIVE PROCUREMENT PROCESS (CONTINUED)**

**CPP TIMELINE (CONTINUED).**

\* The retail supply charges provided in a Retail Supply Charge Informational Filing become effective for twelve (12) monthly billing periods beginning with the June monthly billing period following the applicable ~~Date of Declaration of a Successful Result~~ that such Retail Supply Charge Informational Filing is filed with the ICC, except as provided in the first paragraph of this CPP Timeline section. Notwithstanding the previous provisions of this paragraph, the retail supply charges provided in the Retail Supply Charge Informational Filing filed with the ICC in 2006 for the Hourly Price Section are effective for service beginning January 2, 2007, and extending through the May 2007 monthly billing period. The retail supply charges provided in Retail Supply Charge Informational Filing filed with the ICC in 2007 for the Hourly Price Section are effective for service beginning with the June 2007 monthly billing period and extending through the May 2008 monthly billing period. The Company is not required to obtain any additional consent or other approval, whether prospective, contemporaneous, or retrospective, from the ICC or any other entity in order to issue bills containing such retail supply charges or in order to collect such retail supply charges, provided, however, that such retail supply charges are subject to adjustment in accordance with lawful orders issued by the ICC in annual docketed reconciliation proceedings as provided for in the ICC's Order entered in Docket No. 05-0159.

The Public Report of the Staff and the Public Report of the Auction Manager are made publicly available no earlier than thirty (30) calendar days prior to the day the Company is scheduled to begin procuring full requirements electric supply in accordance with SFCs executed following the applicable Dates of Declaration of a Successful Result.

With a postmark dated no later than the twentieth day of the month prior to the start of each effective period, beginning with the March 2007 effective period, the Company submits the AAFs applicable during such effective period, along with supporting work papers, to the ICC for informational purposes. The Company is not required to obtain any consent or other approval, whether prospective, contemporaneous, or retrospective, from the ICC or any other entity in order to issue bills containing any such AAF or in order to collect any such AAF, provided, however, that any such AAF is subject to adjustment in accordance with lawful orders issued by the ICC in annual docketed reconciliation proceedings or otherwise as provided for in the ICC's Order entered in Docket No. 05-0159.

Any submission of an AAF postmarked after the twentieth day of a month but prior to the start of the applicable effective period is acceptable only if such submission corrects an error or errors from a timely submitted AAF for such effective period. Any other such submission postmarked after such twentieth day is acceptable only if such submission is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.

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ELECTRICITY 1st Revised Sheet No. 294.7  
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## RIDER CPP - COMPETITIVE PROCUREMENT PROCESS

(Continued from Sheet No. 294.6)

### RETAIL CUSTOMER SWITCHING RULES (CONTINUED)

#### BUNDLED ELECTRIC SERVICE RELATED TO THE CPP ANNUAL SEGMENT (CONTINUED).

##### Rate BES-RR Termination Of Service (Continued)

For a situation in which a delivery class other than the Railroad Delivery Class becomes applicable to a nonresidential retail customer, service under Rate BES-RR is terminated.

Notwithstanding the previous provisions of this Bundled Electric Service Related to the CPP Annual Segment section, in the event that the nonresidential retail customer terminates service from the Company under Rate BES-RR and does not elect to obtain service from the Company under any other tariffed service at its premises due to the fact that such nonresidential retail customer is vacating the premises, service under Rate BES-RR continues for not more than ten (10) days after the date such nonresidential retail customer vacates the premises, provided the nonresidential retail customer provides timely notice to the Company to terminate service under Rate BES-RR at such premises.

#### BUNDLED ELECTRIC SERVICE RELATED TO THE CPP HOURLY SEGMENT.

\* The Company procures full requirements electric supply, or directly procured electric power and energy supply, as applicable, in accordance with the provisions of the CPP Hourly Segment subsection of the General Process section of the Competitive Procurement Process part of this rider in the provision of bundled electric service to retail customers taking service under Rate BES-H and Rate BES-RR with pricing determined in accordance with the CPP-H Charges subsection of the Monthly Charges section of such Rate BES-RR. Any such retail customer is subject to switching rules, as applicable, described in this Bundled Electric Service Related to the Hourly Pricing Segment section. Notwithstanding the provisions of the previous sentence, for a retail customer to which the Railroad Delivery Class is applicable, switching rules applicable to such retail customer are provided in the Rate BES-RR Initial Term of Service subsection, the Rate BES-RR Subsequent Terms of Service subsection, and the Rate BES-RR Termination of Service subsection of the Bundled Electric Service Related to the CPP Annual Segment section of this Retail Customer Switching Rules part.

Service under Rate BES-H is not available to (a) a nonresidential retail customer to which the Railroad Delivery Class is applicable, or (b) a lighting retail customer or the portion of electric service to which the Fixture-Included Lighting Delivery Class is applicable.

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ELECTRICITY

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**RIDER CPP - COMPETITIVE PROCUREMENT PROCESS**

(Continued from Sheet No. 294.7)

**RETAIL CUSTOMER SWITCHING RULES (CONTINUED)**

**BUNDLED ELECTRIC SERVICE RELATED TO THE CPP HOURLY SEGMENT (CONTINUED).**

**Initial And Subsequent Application - Default Situations**

On and after January 2, 2007, Rate BES-H is applicable to any retail customer (a) for which the Company is providing bundled electric service; and (b) to which the Self-Generating Customer Group or the Competitively Declared Customer Group, is applicable, or would be applicable based upon the Company's judgment with respect to such retail customer's expected electric power and energy requirements.

\* On and after January 2, 2007, for a situation in which a retail customer takes service under Rate RDS and elects to have its electric power and energy requirements supplied in accordance with the Supplier Options subsection of the Split Load and Supplier Options section of the Service Options part of Rate RDS, Rate BES-H is applicable to any portion of such retail customer's electric power and energy requirements for which the Company provides full requirements electric supply or directly procured electric power and energy supply, as applicable.

**Initial Application - Other Situations**

Beginning January 2, 2007, Rate BES-H is applicable to any residential retail customer that (a) has not requested and is not taking service under Rate BES-R or Rate RDS beginning January 2, 2007; and (b) has been taking service through January 1, 2007, under the then effective Rate RHEP - Residential Hourly Energy Pricing (Experimental) (Rate RHEP).

Beginning January 2, 2007, Rate BES-H is applicable to any nonresidential retail customer that (a) has not properly requested and is not taking service under Rate BES-NRB or Rate BES-NRA, as applicable, or Rate RDS beginning January 2, 2007; and (b) has been taking service through January 1, 2007, under the then effective Rate HEP.

Beginning January 2, 2007, Rate BES-H is applicable to any nonresidential retail customer (a) to which the Large Load Customer Group or the Very Large Load Customer Group is applicable; (b) that has not properly requested and is not taking service under Rate BES-NRA or Rate RDS beginning January 2, 2007; and (c) has been taking service through January 1, 2007, under the then effective Rate RCDS with either (1) Rider PPO (MI) or (2) Rider ISS.

Beginning January 2, 2007, Rate BES-H is applicable to any nonresidential retail customer (a) to which the Large Load Customer Group or the Very Large Load Customer Group is applicable; (b) that switches to bundled electric service beginning January 2, 2007, but that is not in compliance with the provisions of the Prerequisites of Service section of Rate BES-NRA; and (c) that has been taking service through January 1, 2007, under the then effective Rate RCDS.

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## RIDER CPP - COMPETITIVE PROCUREMENT PROCESS

(Continued from Sheet No. 294.10)

### RETAIL CUSTOMER SWITCHING RULES (CONTINUED)

#### RIDER PPO-MVM.

A nonresidential or lighting retail customer may elect to obtain full requirements electric supply on an unbundled basis from the Company under Rider PPO-MVM, in conjunction with Rate RDS. Such retail customer must make such election each year within the period of time that starts the first business day after the Company submits the applicable Retail Supply Charge Informational Filing to the ICC. Such period of time extends for forty-five (45) calendar days if the retail customer's highest thirty (30) minute demand for the twelve (12) monthly billing periods used to determine the supply group applicable to such retail customer did not exceed 3,000 kW, except that in 2006 such period of time extends for fifty (50) calendar days for any such retail customer. Otherwise, such period of time extends for thirty (30) calendar days. Notwithstanding the previous provisions of this paragraph, a retail customer may not elect to take service under Rider PPO-MVM if notice of such election is received by the Company after the date that is seven (7) calendar days prior to the start of such retail customer's June monthly billing period. The term of service under Rider PPO-MVM is twelve (12) monthly billing periods beginning at the start of the June monthly billing period after the applicable Date of Declaration of a Successful Result and extending through the end of the following May monthly billing period, except for the initial offering of service.

For the initial offering of service under Rider PPO-MVM the term of contract begins January 2, 2007, and expires at the end of the retail customer's May 2008 monthly billing period. For such initial offering of service under Rider PPO-MVM, a retail customer may terminate service under Rider PPO-MVM on the end reading date of such retail customer's December 2007 monthly billing period if such retail customer provides written notice at least thirty (30) calendar days prior to such termination date. For each subsequent offering of service under Rider PPO-MVM, the term of contract begins with the retail customer's June monthly billing period and expires after the end of the retail customer's following May monthly billing period. A retail customer's contract for service under Rider PPO-MVM is not automatically renewed.

\* Other than a nonresidential retail customer to which the Railroad Delivery Class is applicable, a nonresidential retail customer taking service under Rider PPO-MVM to which the Large Load Customer Group or the Very Large Load Customer Group is applicable that fails to (a) properly elect service under Rider PPO-MVM for any renewal term of service, (b) obtain electric power and energy supply from a RES in accordance with Rate RDS, and (c) properly elect service under Rate BES-NRA is provided full requirements electric supply service under Rate BES-H upon the expiration of such nonresidential retail customer's term of service under Rider PPO-MVM.

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Commonwealth  
Edison Company

ELECTRICITY 1st Revised Sheet No. 294.12  
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**RIDER CPP - COMPETITIVE PROCUREMENT PROCESS**

(Continued from Sheet No. 294.11)

**RETAIL CUSTOMER SWITCHING RULES (CONTINUED)**

**RIDER PPO-MVM (CONTINUED).**

\* A nonresidential retail customer taking service under Rider PPO-MVM to which the Railroad Delivery Class is applicable that fails to (a) properly elect service under Rider PPO-MVM for any renewal term of service, (b) obtain electric power and energy supply from a RES in accordance with Rate RDS, and (c) properly elect service under Rate BES-RR with pricing in accordance with the CPP-A Charges subsection of the Monthly Charges section of Rate BES-RR, is provided ~~full requirements electric supply~~ service under Rate BES-RR in accordance with the CPP-H Charges subsection of such Monthly Charges section upon the expiration of such nonresidential retail customer's term of service under Rider PPO-MVM.

Any other nonresidential or lighting retail customer taking service under Rider PPO-MVM that fails to (a) elect service under Rider PPO-MVM for any renewal term of service, and (b) obtain electric power and energy supply from a RES in accordance with Rate RDS, is provided full requirements electric supply under Rate BES-NRB or Rate BES-L, as applicable, upon the expiration of such retail customer's term of service under Rider PPO-MVM.

Notwithstanding the previous provisions of this Rider PPO-MVM section, a retail customer to which the Self-Generating Customer Group or the Competitively Declared Customer Group is applicable is not eligible to elect service under Rider PPO-MVM.

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Commonwealth  
Edison CompanyELECTRICITY 1st Revised Sheet No. 294.27  
(Canceling Original Sheet No. 294.27)**RIDER CPP - COMPETITIVE PROCUREMENT PROCESS**

(Continued from Sheet No. 294.26)

**TRANSLATION TO RETAIL CHARGES (CONTINUED)****MARKET VALUE (CONTINUED).****CPP Blended Segment Market Value**The Market Value - Blended,  $MV_B$ , in \$/MWh, is determined in accordance with the following equation:

$$MV_B = \frac{\sum_P \{ (FAP_P \times T_P \times PL_P \times SF_P) \times \sum_g (Exp_g \times \sum_{sm} MWh_{m,g}) \} + \sum_P \{ (FAP_P \times T_P \times PL_P \times NF_P) \times \sum_g (Exp_g \times \sum_{nm} MWh_{m,g}) \}}{\sum_g (Exp_g \times \sum_m MWh_{m,g})}$$

Where:

$FAP_P$  = Final Auction Price, in \$/MWh, for the CPP Blended Segment auction product, P, with a duration that includes the monthly billing periods for which retail supply charges are being determined

$T_P$  = Number of tranches assigned to auction product, P

$PL_P$  = Percentage, in decimal format, of entire Retail Aggregate Load – Blended represented by a single tranche of auction product, P, at the time the Illinois Auction is conducted for auction product, P

$\square_P$  = Summation over all auction products with durations that include the monthly billing periods for which retail supply charges are being determined

**CPP Annual Segment Market Value**The Market Value - Annual,  $MV_A$ , in \$/MWh, is determined in accordance with the following equation:

$$MV_A = FAP_A$$

Where:

$FAP_A$  = Final Auction Price, in \$/MWh, for the CPP Annual Segment auction product with a duration that includes the monthly billing periods for which retail supply charges are being determined

**CPP Hourly Segment Market Value**The Market Value - Hourly,  $MV_H$ , in \$/MW-Day, is determined in accordance with the following equation:

$$MV_H = FAP_H$$

Where:

$FAP_H$  = Final Auction Price, in \$/MW-Day for the CPP Hourly Segment auction product with a duration that includes the monthly billing periods for which retail supply charges are being determined

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Edison CompanyELECTRICITY 1st Revised Sheet No. 294.28  
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(Continued from Sheet No. 294.27)

**TRANSLATION TO RETAIL CHARGES (CONTINUED)****MARKET VALUE (CONTINUED).****CPP Hourly Segment Market Value (Continued)**

\* Notwithstanding the previous provisions of this CPP Hourly Segment Market Value subsection, (a) for the purposes of determining applicable retail supply charges for service beginning January 2, 2007, and extending through the May 2007 monthly billing period, the FAP<sub>H</sub> equals the applicable October 2006 PJM capacity auction value, in \$/MW-Day, and (b) for the purposes of determining applicable retail supply charges for service beginning with the June 2007 monthly billing period and extending through the May 2008 monthly billing period, the FAP<sub>H</sub> equals the applicable PJM capacity auction value, in \$/MW-Day, for the 2007-2008 PJM Planning Year.

\* Generally, the aforementioned MVs are determined on an annual basis and are used to determine retail supply charges for a period that extends from the beginning of the June monthly billing period in the year in which the Illinois Auction is held through the end of the May monthly billing period of the following year. However, the initial MVs are used to determine retail supply charges for the period that extends from January 2, 2007, through the end of the May 2008 monthly billing period, except as provided in the CPP Hourly Segment Market Value subsection of this Market Value section.

**SUPPLY CHARGE COMPUTATION.**

The Company computes Supply Charges for each customer supply group. Each Supply Charge computed in accordance with the provisions of this Supply Charge Computation section is determined by (1) computing a ratio, the numerator of which is the cost of procuring full requirements electric supply for the particular customer supply group and period for which such Supply Charge is applicable, and the denominator of which is the cost of procuring full requirements electric supply for all retail customers in the segment for which the Illinois Auction Fixed Price Section is conducted, (2) multiplying such ratio by the applicable MV, and (3) converting the units from \$/MWh into ¢/kWh. Notwithstanding the previous provisions of this paragraph, the determination of Supply Charges resulting from the Illinois Auction Hourly Price Section does not utilize the ratio mechanism described herein.

**Supply Charges – CPP Blended Segment**

For the Residential, Watt-Hour, Small Load, Medium Load, Dusk to Dawn Lighting, and General Lighting Customer Groups, the Supply Charges have differentiations for the Summer and Nonsummer Periods. The following equations are used to determine such Supply Charges.

The Summer Supply Charge (SSC<sub>g</sub>), in ¢/kWh rounded to the thousandths of a cent, for each such customer supply group is computed in accordance with the following equation:

$$SSC_g = \frac{SMSC_g}{MSC_{segment}} \times MV_B \times \frac{1MWh}{1,000 kWh} \times \frac{100 \text{ ¢}}{\$1}$$

(Continued on Sheet No. 294.29)

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Commonwealth  
Edison CompanyELECTRICITY 1st Revised Sheet No. 294.34  
(Canceling Original Sheet No. 294.34)**RIDER CPP - COMPETITIVE PROCUREMENT PROCESS**

(Continued from Sheet No. 294.33)

**TRANSLATION TO RETAIL CHARGES (CONTINUED)****SUPPLY CHARGE COMPUTATION (CONTINUED).****Supply Charges – CPP Hourly Segment****Hourly Segment Supply Charges**

The Hourly Segment Supply Charge,  $HSSC_M$ , in \$/kW-Month, is computed in accordance with the following equation:

$$HSSC_M = MV_H \times \frac{365 \text{ Days}}{1 \text{ Year}} \times \frac{1 \text{ Year}}{12 \text{ Months}} \times \frac{1 \text{ MW}}{1,000 \text{ kW}}$$

\* Notwithstanding the preceding provisions for the computation of HSSC, (a) for computations that pertain to leap years, the number of days in the year is 366 rather than 365; ~~Notwithstanding and (b) the preceding provisions for the computation of HSSC,~~ for computations that pertain to the initial period for which retail supply charges are being determined extending from January 2, 2007, through the end of the May 2008~~7~~ monthly billing period, the number of days in the year is ~~516~~150 rather than 365 and the number of months is ~~seventeen-five (175)~~ rather than twelve (12).

Notwithstanding the previous provisions of this Hourly Segment Supply Charges subsection, for a retail customer to which the Self-Generating Customer Group is applicable the  $HSSC_D$ , in \$/kW-Day, is computed in accordance with the following equation:

$$HSSC_D = MV_H \times \frac{1 \text{ MW}}{1,000 \text{ kW}}$$

Notwithstanding the previous provisions of this Hourly Segment Supply Charges clause, in the event that the Company procures electric power and energy directly from PJM-administered markets and the Illinois Auction Hourly Price Section is not conducted for the CPP Hourly Segment, in accordance with the provisions of the CPP Hourly Segment subsection of the General Process section of the Competitive Procurement Process part of this rider, the HSSCs are determined in a manner that recovers capacity obligation costs of the electric power and energy the Company procures in such direct manner. Transmission services and ancillary transmission services costs incurred as a result of such procurement in such direct manner are recovered through the applicable charges determined in Rider TS-CPP - Transmission Services (Competitive Procurement Process) (Rider TS-CPP). The HSSCs determined in such manner are for application beginning with the June monthly billing period corresponding to the commencement of such procurement in such direct manner, with the exception that if such procurement in such direct manner begins on January 1, 2007, then the HSSCs determined in such manner are for application beginning January 2, 2007.

**Hourly Energy Supply Charges**

The Hourly Energy Supply Charges are the PJM real-time, locational marginal prices for the ComEd Zone, adjusted for applicable transmission and distribution losses.

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Edison Company

ELECTRICITY 1st Revised Sheet No. 294.35  
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## RIDER CPP - COMPETITIVE PROCUREMENT PROCESS

(Continued from Sheet No. 294.34)

### ACCURACY ASSURANCE MECHANISMS

\* Expenses that the Company incurs for the procurement of full requirements electric supply and directly procured electric power and energy, as applicable, required by retail customers to which the Company is providing such supply should equal the revenues from such retail customers for such supply based on changes in such retail customers' actual usage and demands on the Company's system. In addition, in the event that the other competitive procurement processes provided for in the Limitations and Contingencies part of this rider are employed, such retail customers should be billed for the change in market value based charges that result from the employment of such processes. An Accuracy Assurance Factor, AAF, is determined and applied to such ~~full requirements electric~~ supply on a monthly basis. Three separate AAFs, in ¢/kWh rounded to the thousandths of a cent, are determined on a monthly basis. Such AAFs, the CPP-B AAF, the CPP-A AAF, and the CPP-H AAF, are applied to kWhs provided in the applicable effective period to retail customers for which the Company procures ~~full requirements electric~~ such supply as described in the CPP Blended Segment, the CPP Annual Segment, and the CPP Hourly Segment subsections, respectively, of the General Process section of the Competitive Procurement Process part of this rider. Such factors are submitted to the ICC in an informational filing prior to the start of the effective period during which they are to be applied, as described in the CPP Timeline section of the Competitive Procurement Process part of this rider. AAFs are determined in accordance with the following equation:

$$AAF = CDU + CF$$

The Company must prepare an annual report that summarizes the operation of the accuracy assurance mechanisms for the previous year. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to the Manager of the Staff's Accounting Department and the Director of the Staff's Financial Analysis Division by April 30, beginning in 2008. Such report must be verified by an officer of the Company.

### CUSTOMER DEMAND AND USAGE FACTOR.

\* The purpose of the Customer Demand and Usage Factor (CDU) is to periodically equalize the revenues from retail customers for full requirements electric supply or directly procured electric power and energy, as applicable, procured for them by the Company and the expenses incurred by the Company for procurement of such supply, as a function of the contract terms and prices determined in accordance with the CPP, in order to address the differences that may exist between actual electricity usage and demand patterns and the historic usage and demand patterns used in the equations in the Translation to Retail Charges part of this rider.

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Edison CompanyELECTRICITY 1st Revised Sheet No. 294.36  
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(Continued from Sheet No. 294.35)

**ACCURACY ASSURANCE MECHANISMS (CONTINUED)****CUSTOMER DEMAND AND USAGE FACTOR (CONTINUED).**

For each of the three (3) previously described AAFs, a separate CDU is determined and applied in each effective period in accordance with the following equation:

$$CDU = \frac{(AE - AR + AB + A)}{U} \times \frac{100 \text{ ¢}}{\$1}$$

Where:

- CDU = Customer Demand and Usage Factor, in ¢/kWh rounded to the thousandths of a cent, applied as a credit or charge to kWhs provided to retail customers, as applicable, during the effective period.
- \* AE = Accrued Expenses, in \$, equal to the sum of (a) the accrued expenses for the provision of ~~full requirements electric~~ supply to retail customers during the determination period incurred in accordance with the CPP, and (b) a portion of accrued expenses incurred in accordance with the Limitations and Contingencies part of this rider during the determination period equal to accrued expenses the Company would have incurred had all applicable tranches been procured in accordance with the CPP. ~~For the CPP-H AAF, AE equals such sum divided by twelve (12).~~
- \* AR = Accrued Revenues, in \$, equal to the accrued revenues recognized for retail customers during the determination period in accordance with the CPP for the provision of ~~full requirements electric~~ supply. ~~For the CPP-H AAF, AR equals such accrued revenues divided by twelve (12).~~
- AB = Automatic Balancing Factor, in \$, equal to the cumulative debit or credit balance resulting from the application of the CDU through the determination period. Such balance includes interest established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1).
- A = Adjustment, in \$, equal to an amount (a) ordered by the ICC or (b) determined by the Company, after discussion with the Staff, that is to be refunded to or collected from retail customers to correct for arithmetical inaccuracies associated with the computation of a previously applied AAF. Such amount includes interest charged at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1). Such interest is calculated for the period of time beginning on the first day of the effective period during which such AAF was applied and extending through the day prior to the start of the effective period in which the A is applied. Such amount may be amortized over multiple effective periods with interest.

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ELECTRICITY

1st Revised Sheet No. 294.36

(Canceling Original Sheet No. 294.36)

**RIDER CPP - COMPETITIVE PROCUREMENT PROCESS**

(Continued from Sheet No. 294.35)

U = Usage, in kWh, forecasted to be provided to applicable retail customers during the effective period.

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Edison CompanyELECTRICITY 1st Revised Sheet No. 294.37  
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(Continued from Sheet No. 294.36)

**ACCURACY ASSURANCE MECHANISMS (CONTINUED)****CONTINGENCY FACTOR.**

The purpose of the Contingency Factor (CF) is to determine appropriate charges to be included in the AAF in the event that the provisions of the Limitations and Contingencies part of this rider are employed. For each of the three previously described AAFs, a separate CF is determined and applied for each effective period in accordance with the following equation:

$$CF = \frac{(CE + CC + CFA + A)}{U} \times \frac{100 \text{ ¢}}{\$1}$$

Where:

- CF = Contingency Factor, in ¢/kWh rounded to the thousandths of a cent, applied as a credit or charge to kWhs provided to retail customers, as applicable, during the effective period.
- \* CE = Contingency Expenses, in \$, equal to the difference between (a) the accrued expenses for the provision of ~~full requirements electric~~ supply to retail customers during the determination period incurred in accordance with the Limitations and Contingencies part of this rider, and (b) any portion of such accrued expenses reflected in AE, as defined in the Customer Usage and Demand Factor section of this Accuracy Assurance Mechanisms part. ~~For the CPP-H AAF, CE equals such difference divided by twelve (12).~~
- CC = Contingency Compensation, in \$, equal to all compensation received or paid by the Company in accordance with the terms of any SFC terminated in accordance with the provisions of the Limitations and Contingencies part of this rider; such compensation is negative or positive to reflect compensation received or paid by the Company, respectively; such compensation is amortized over what would have been the remaining term of such SFC had there been no event of default, to the extent practical, and such compensation is adjusted for interest, at the same rates used pursuant to the settlement terms of such SFC; such compensation does not include amounts awarded to the Company for administrative and legal expenses incurred by the Company as a result of any such event of default.
- CFA = Contingency Factor Adjustment, in \$, the cumulative debit or credit balance resulting from the application of the CF through the determination period. Such balance includes interest established by the ICC in accordance with 83 Illinois Administrative Code Section 280.70(e)(1).

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