

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

<b>COMMONWEALTH EDISON COMPANY</b>	)	
	)	
<b>Proposed general increase in rates for delivery service. (Tariffs filed August 31, 2005)</b>	)	<b>05-0597 on Rehearing</b>
	)	
	)	

**REPLY BRIEF ON REHEARING OF THE CITIZENS UTILITY BOARD,  
THE COOK COUNTY STATE'S ATTORNEY'S OFFICE  
AND THE CITY OF CHICAGO**

**CITIZENS UTILITY BOARD**

Julie Soderna  
208 S. LaSalle, Suite 1760  
Chicago, Illinois 60604  
312-263-4282  
312-263-4329 fax  
[jsoderna@citizensutilityboard.org](mailto:jsoderna@citizensutilityboard.org)

**THE CITY OF CHICAGO  
MARA S. GEORGES  
CORPORATION COUNSEL**

Ronald D. Jolly  
Senior Counsel  
J. Mark Powell  
Assistant Corporation Counsel  
City of Chicago  
30 N. LaSalle St., Suite 900  
Chicago, Illinois 60602  
312-744-6929  
[rjolly@cityofchicago.org](mailto:rjolly@cityofchicago.org)  
[mark.powell@cityofchicago.org](mailto:mark.powell@cityofchicago.org)

**RICHARD A. DEVINE  
STATE'S ATTORNEY OF COOK  
COUNTY**

Mark N. Pera, Supervisor  
Marie D. Spicuzza, Deputy Supervisor  
Allan Goldenberg  
Environment and Energy Division  
Assistant State's Attorneys  
Cook County State's Attorney's Office  
69 West Washington, Suite 3130  
Chicago, Illinois 60602  
312-603-8600  
312-603-9835 (fax)  
[mpera@cookcountygov.com](mailto:mpera@cookcountygov.com)  
[mspicz@cookcountygov.com](mailto:mspicz@cookcountygov.com)  
[agolden@cookcountygov.com](mailto:agolden@cookcountygov.com)

**TABLE OF CONTENTS**

**INTRODUCTION.....1**

**III. Contested Issues.....4**

**B. Rate Base.....4**  
        **1-2. General and Intangible Plant: Functionalization and Amount.....4**

**C. Operating Expenses.....6**  
        **1. Administrative & General Expenses.....6**

**D. Rate of Return.....9**  
        **1. Capital Structure.....9**  
        **2. Cost of Common Equity.....12**

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

<b>COMMONWEALTH EDISON COMPANY</b>	)	
	)	
<b>Proposed general increase in rates for delivery service. (Tariffs filed August 31, 2005)</b>	)	<b>05-0597 on Rehearing</b>
	)	
	)	

**REPLY BRIEF ON REHEARING OF THE CITIZENS UTILITY BOARD,  
THE COOK COUNTY STATE’S ATTORNEY’S OFFICE,  
AND THE CITY OF CHICAGO**

Pursuant to 83 Ill. Adm. Code § 200.800, the Citizens Utility Board (“CUB”), the Cook County State’s Attorney’s Office (“CCSAO”), and the City of Chicago (“City”), (collectively “CUB-CCSAO-City” or “CCC”) submit this Reply Brief on Rehearing. The sections of this brief are organized in accordance with the agreed issues outline on rehearing submitted by Commonwealth Edison Company (“ComEd” or the “utility”) on October 13, 2006. CCC respond to ComEd’s Initial Brief on Rehearing (“Init. Rhg. Br.”) with regard to the issues of General and Intangible Plant, Administrative and General Expense, Capital Structure and Cost of Common Equity.

**INTRODUCTION**

In its introduction to its Initial Brief on Rehearing, ComEd makes two assertions that are misleading at best. First, ComEd tries to make a connection between the Commission’s July 26, 2006 Order (the “Order”) and actions taken by credit rating agencies to downgrade the utility’s debt. ComEd Init. Rhg. Br. at 1. ComEd tried a similar tactic in its testimony on rehearing. *See, e.g.,* ComEd Ex. 51.0 at 3, L. 53; at 4, L. 56-63; at 4, L. 64-67. However, one need only read the reports to know that ComEd’s claim is disingenuous. Each of the three credit reports is in the record. ComEd Ex. 51.1; ComEd Ex. 51.2; Staff Ex. 26.4. Only the Fitch Ratings (“Fitch”) report discusses the Commission’s Order in any detail. The Standard and Poor’s Negative Credit

Watch (“Standard and Poor’s”) fails to mention the Order at all and the Moody’s Investor Service (“Moody’s”) mentions the Order only in passing. These two reports focus almost exclusively on threats made by Illinois legislators to extend the rate freeze. This makes perfect sense as the utility claims it stands to lose enormous sums of money if its ability to recover its power procurement costs is significantly curtailed and if the auction contracts remain in place.<sup>1</sup> Standard and Poor’s estimated that an extension of the rate freeze could “result in revenue shortfalls of about \$1 billion or more per year.” Staff Ex. 26.4 at 1. The reality is that the credit downgrades had little to do with the Order and much more to do with the possibility that ComEd could be plunged into bankruptcy if it can not fully recover its power procurement costs. ComEd’s implication otherwise is spurious.

Second, ComEd asserts that with respect to certain costs at issue on rehearing, “Suffice it to say at this point that not a single shred of evidence was introduced by any party, including Staff, that suggests ComEd did not incur the costs for which it provided evidence on rehearing or that those costs should not have been incurred.” ComEd Init. Rhg. Br. at 3. In other words, ComEd’s view of regulation is that if the Commission’s role is to simply rubber-stamp whatever the utility purports to have spent. This distorted view turns regulation on its head.

The Public Utilities Act (the “Act” or the “PUA”) states that ComEd alone bears the burden of proof to demonstrate that its proposed rates are just and reasonable. 220 ILCS 5/9-201(c.) ComEd acknowledged this, as it must, when it stated that “There is no question about the Commission’s broad jurisdiction under the [Public Utilities] Act to evaluate the justness and reasonableness of a utility’s rates and charges. The Act gives the Commission ‘plenary power

---

<sup>1</sup> Conversely, if the rate freeze ends on January 1, 2007, ComEd’s unregulated generation affiliate stands to make greatly increased profits by selling its power at the rates established as part of the ComEd auction.

with respect to the supervision and regulation of public utilities.’ *People v. Chicago*, 349 Ill. 304, 346 (1932).” Docket No. 06-0411, ComEd Rep. Br. on Excep. at 6-7. However, in this case, with a different outcome in mind, ComEd suggests that the Commission be stripped of its regulatory authority and approve the costs the utility places in front of it regardless of whether it has established that its rates are just and reasonable.

In *People ex rel Hartigan v. Ill. Commerce Comm’n*, 117 Ill. 2d 120 (1987), the Illinois Supreme Court emphatically rejected the notion that the Commission is relegated to such a passive role. In overturning a Commission order granting a rate increase to ComEd, the Court stated that

under the comprehensive scheme set out in the Public Utilities Act, the Commission is to be an active participant. The Commission is not merely an arbitrator between a utility seeking a rate increase and any parties who happen to oppose it. Rather, the Commission is an investigator and regulator of the utilities and ... it may not rely on intervening parties to contest a rate increase or to challenge the evidence offered by the utility.

*Id.* at 135. The court went on to say that

any participation by persons or groups opposing an increase is voluntary and purely fortuitous. It is possible that no person or entity will seek to intervene when a rate increase is sought; in other cases, those who intervene may lack the financial resources or the incentive to launch a vigorous challenge to all aspects of the increase. [Citation omitted.] Requiring intervenors to establish unreasonableness is therefore no substitute for requiring proof of reasonableness. The difference is significant.

*Id.* at 135-36.

Contrary to ComEd’s claim, the Commission is not obligated to approve the utility’s purported costs merely because the utility testified that they were incurred or no party presented “a single shred of evidence” that “ComEd did not incur the costs.” ComEd Init. Rhg. Br. at 3. In fact, the Commission has an affirmative obligation to determine whether ComEd’s evidence

demonstrates that its proposed costs are just and reasonable -- whether or not Staff or any party submitted evidence to the contrary.

## **ARGUMENT**

### **III. CONTESTED ISSUES**

#### **B. Rate Base**

##### **1-2. General and Intangible Plant: Functionalization and Amount**

In its Initial Brief on Rehearing, ComEd relies on the notion that, because no additional evidence has been submitted that supports reconsideration of the Commission's determination regarding General and Intangible Plant ("G&I Plant"), the Commission is bound by that determination. ComEd Init. Rhg. Br. at 14. To the contrary, the Commission granted CCC's and IIEC's applications for rehearing on this issue because it sought to take a second look at the determination in its Order. The Commission did not request or require that additional evidence be offered, and the parties are under no obligation to put forth additional evidence on rehearing. Indeed, the Commission may use rehearing to reconsider its determination without requiring additional evidence. Nevertheless, Staff witness Lazare did present additional testimony on rehearing on the issue of the functionalization and amount of G&I plant, elaborating on Staff's position in the pre-Order phase of the proceeding. Though the basic premise of his recommendation to disallow \$304 million in G&I plant from rate base remains the same, his testimony on rehearing provides additional evidence that must be considered by the Commission in making its determination regarding G&I Plant on rehearing.

Staff correctly points out that ComEd's functionalization of G&I not only departs from the prior two delivery service cases by allocating costs through direct assignment instead of the general labor allocator, but also departs from the Commission's order in the last Illinois Power

Company delivery services rate proceeding (ICC Docket No. 01-0432). Staff Init. Rhg. Br. at 6. In Docket No. 01-0432, the Commission held that an increase in G&I plant allocated to delivery services, after the company's generation assets were divested, requires a "showing that the remaining operations require such a large increase in G&I relative to the amount established by the Commission [in the prior case]." ICC Docket No. 01-0432 Order at 17. As correctly asserted by Staff, ComEd, like Illinois Power in Docket No. 01-0432, solely bears the burden to demonstrate that "its remaining operations following divestiture require the requested increase in G&I plant relative to the amount established in ComEd's previous delivery services rate case." Staff Init. Rhg. Br. at 7. Though the Commission is not bound by its past precedent<sup>2</sup>, an appellate court will review the Commission's decisions to determine if they are supported by substantial evidence in the record as a whole. 220 ILCS 5/10-201(e)(iv)(A). Here, there is no evidence that the facts in this proceeding differ in any material respect from the facts presented in 01-0432, and therefore there is no reason for the Commission to depart from its decision in that docket.

Further, because ComEd's functionalization between production and delivery was outside the scope of its testimony and amounts to an off-the-record re-functionalization, how ComEd functionalized its G&I plant between the regulated utility and the unregulated production function remains unknown. Staff Ex. 27.0 at 4, L. 82-86. ComEd's functionalization methodology results in the distribution function receiving a majority of the costs, yet that methodology is not reviewable by the Commission. Because in its Order the Commission focused on the "direct assignment" vs. "general labor allocator" debate, it failed to consider the

---

<sup>2</sup> "[P]ast precedent is not controlling, because the Commission is a legislative and not a judicial body, and generally its decisions are not *res judicata* in later proceedings before it. *Citizens Util. Bd. v. Illinois Commerce Comm'n*, 166 Ill. 2d 111 (Ill. 1995), citing *Mississippi River Fuel Corp. v. Illinois Commerce Comm'n*, 1 Ill. 2d 509, 513, 116 N.E.2d 394 (1953).

evidence presented by Staff that demonstrates the errors in ComEd's production/delivery functionalization methodology. In fact, ComEd utterly fails to demonstrate that it reasonably allocated its G&I between the utility and the production functions. Instead, ComEd's direct assignment analysis was used for the sole purpose of functionalizing the entire amount of G&I plant between transmission and distribution. The utility failed to appropriately justify its functionalization approach and the resulting level of G&I. Given that ComEd presented no evidence to demonstrate that its G&I plant investments were reasonable, the Commission's Order erred in allowing ComEd to reinsert \$304 million of G&I plant into rate base that the Commission found to be unreasonable in ComEd's prior delivery services rate case.

### **C. Operating Expenses**

#### **1. Administrative and General Expenses**

Nothing presented in rehearing evidence or briefs substantiates any change in the Commission's conclusions with regard to the level of administrative and general ("A&G") expenses that ComEd should be allowed to recover from ratepayers in delivery rates. In establishing a total level of A&G expenses in the pre-Order phase of this case, the Commission reviewed the evidence presented and concluded that it "could not properly evaluate ComEd's request without being able to see the individual expenses contained in the A&G accounts and the rationale for any increases." Order at 68. Accordingly, the Commission found that ComEd failed to support its request with sufficient evidence to demonstrate the reasonableness of those costs. *Id.* On rehearing, rather than demonstrating that its requested increase in A&G expenses – a massive 142% over the amount approved in ComEd's last DST case -- is reasonable, ComEd submitted evidence in this proceeding that actually shows that the utility's administrative costs have decreased. Further, ComEd has taken the erroneous legal position that "absent any finding

of imprudence ... this disallowance is unlawful.” ComEd Init. Rhg. Br. at 25. This statement clearly misstates the law, which unequivocally places the burden of proof on the utility to demonstrate the reasonableness of its rates. 220 ILCS 5/9-201(c).

ComEd’s post hoc justifications for the substantial overall increase in A&G expenses were examined by Staff witness Lazare, who concluded not only that the additional evidence was insufficient to justify the requested increase, but that ComEd’s own testimony reveals that the utility actually overstated its A&G expenses by at least \$55.1 million. Staff Ex. 27.0 at 17, L. 390. Mr. Lazare testified that ComEd’s proposal “in its entirety is not supported by the available evidence.” *Id.* at 9, L. 212-13. Mr. Lazare testified that ComEd’s salaries and wages expense, Sarbanes-Oxley compliance costs, and health care costs for active employees were all overstated. *See* Staff Ex. 27.0 at 9-16; *see also* CCC Init. Rhg. Br. at 6-8. Staff witness Ebrey further testified that the trends from 2001 through 2005 indicate that ComEd’s actual operations costs are not rising as ComEd’s claims. Staff. Ex. 25.0 at 17, L 340-41. Instead, ComEd’s overall costs are trending downward, and not even keeping up with inflation levels. Staff presented a variance analysis that demonstrates that “from 2001 to 2004, ComEd’s overall costs related to electric distribution business are trending downward, not even keeping up with inflation levels.” Staff Init. Rhg. Br. at 38-39. Taken together, this evidence refutes ComEd’s claims of underrecovery, and demonstrates that, if anything, “the 9.7% inflation factor applied to the Commission’s Order was generous.” Staff Init. Rhg. Br. at 39.

The fact that Mr. Lazare did not testify as to each and every expense item identified in ComEd’s rehearing testimony does not, as ComEd would have it, make those costs items “undisputed.” ComEd Init. Rhg. Br. at 28. ComEd operates from the mistaken assumption that it is Staff’s and intervenors’ burden to demonstrate the unreasonableness of its costs, and that if

these parties fail to establish this, then the costs are *per se* reasonable. Quite to the contrary, Staff – or any other party for that matter - is under no obligation to review *any* cost component that the utility seeks to recover. *See People ex rel Hartigan v. Ill. Commerce Comm’n*, 117 Ill. 2d at 135-36. Even if no parties intervened or presented testimony regarding the utility’s request for an increase in distribution rates, ComEd would nonetheless retain the burden of demonstrating the reasonableness of its costs to the Commission. *Id.* If those requested costs are not supported by substantial evidence, the Commission must disallow them regardless of whether those costs have been challenged by any party. The Commission should therefore disregard ComEd’s misstatements suggesting otherwise. *See, e.g., ComEd Init. Rhg. Br.* at 28 (“No party challenged this amount, or its recoverability. Accordingly, the Commission should approve recovery through rates...”).

Moreover, ComEd has *itself* admittedly failed to present evidence regarding each and every cost element that has changed between the 2000 and 2004 test years. ComEd claims that it is “not plausible to identify each and every cost element that has changed over this period.” ComEd Ex. 52.0 (Corrected) at 4-5, L. 88-89. ComEd attempts to justify this approach by maintaining that “the increase in A&G expenses since 2000 can largely be attributed to a few discrete factors.” *Id.* at 5, L. 89-90. Not only does ComEd solely have the burden of proof in this proceeding, but the Commission itself expressly encouraged the utility to provide additional evidence supporting its previously unsupported A&G expenses on rehearing. Order at 68. Thus, ComEd’s criticisms of Staff for failing to address each individual A&G cost ring hollow.

In addition, though ComEd endeavors to justify its requested increase by claiming that certain isolated expenses have risen since the 2000 test year, it fails to take into consideration other expenses that have significantly decreased during this same period. As demonstrated by

Staff witnesses Lazare and Ebrey, the “additional evidence” provided by ComEd to support its requested increase in A&G expense does not, in fact, justify the requested \$79 million increase in A&G expense, and in fact supports a reduction of \$17.3 million from the level approved in the Order in this proceeding. *See* Staff Ex. 27.0 at 15, L. 304-06; Staff Ex. at 17, L 340-41; *see also* CCC Init. Rhg. Br. at 7-8. Staff concluded from its review of the evidence that “ComEd’s actual operating results demonstrate that both A&G expenses and overall expenses have declined since ComEd restructured as a transmission and distribution utility on January 1, 2001.” Staff Init. Rhg. Br. at 38. The Commission should, therefore, reject ComEd’s proposed \$79 million increase in A&G as unreasonable and unsupported by substantial evidence and adopt Staff’s recommendation to limit the level of A&G expenses to that established in Docket 01-0423.

#### **D. Rate of Return**

##### **1. Capital Structure – *ComEd’s Proposed Capital Structures Violate Illinois law***

ComEd claims that the record supports adoption of three capital structures: the capital structure initially proposed by the utility with a 54.2% common equity ratio; the Order’s imputed capital structure with a common equity ratio of 42.86%; or the Proposed Order’s imputed capital structure with a common equity ratio of 46%. ComEd Init. Rhg. Br. at 44. ComEd pays only lip service to its original request, as this is the only time that it mentions it in its brief on rehearing. Rather, ComEd’s efforts are spent trying to concoct support for the Order’s and Proposed Order’s respective capital structures. Those efforts are in vain.

ComEd asserts that there is record evidence to support adoption of either the Order’s capital structure or the Proposed Order’s capital structure. The utility cites to evidence of capital structures with ratios of common equity nearing those included in either the Order’s or the Proposed Order’s respective capital structures. *Id.* at 45-47. However, no matter how close

these numbers come to the ratios of common equity included in the Order or the Proposed Order, there simply is no evidence supporting either capital structure.

ComEd also claims that the capital structure recommended by Staff and adopted by CUB-CCSAO-City and IIEC is not appropriate. *Id.* at 48. According to ComEd, the most important fact in determining an imputed capital structure is to compare it against the capital structures of comparable utilities. *Id.* ComEd asserts that Staff's proposed capital structure with a 37.11% common equity ratio is an outlier when compared to other utilities. *Id.* The Commission rejected such facile reasoning with respect to the cost of common equity. Order at 153. Regarding ComEd's claim that the Commission should establish a cost of common equity in line with those determined for other utilities in recent cases, the Commission stated that

The cost of equity appropriate to ComEd, however, is specific to that utility. ComEd may not simply adopt the cost of equity set for other utilities scattered around the country, for which the facts and circumstances are not necessarily similar. Rather, pursuant to Section 9-201 of the Act, ComEd must prove that its proposed cost of equity is just and reasonable.

Order at 153. The Commission's rationale applies equally to ComEd's argument regarding a just and reasonable capital structure: the capital structure appropriate to ComEd is peculiar to that utility and, regardless of the capital structures of other utilities, must be shown to be just and reasonable based solely on the evidence of record in *this* case.

ComEd claims that the credit downgrades by Fitch, Moody's and Standard and Poor's are additional evidence that it needs a capital structure comparable to that of other utilities. ComEd Init. Rhg. Br. at 49. However, there is little if any connection between the credit downgrades and the Commission's Order. The Commission should not be swayed by assertions that the utility will suffer additional downgrades if it does not approve a capital structure suitable to ComEd. As discussed above, the downgrades were primarily the result of legislative threats to extend the

rate freeze. As Staff witness McNally testified, the Commission should not base its decision in this case on events that might not occur. Staff Ex. 26.0 at 9, 183-85.

Staff's proposed capital structure is the only capital structure supported in the record. As Staff argues in its brief on rehearing, its capital structure is the only capital structure that removes completely the goodwill asset associated with the transfer of ComEd's nuclear plants. Staff Init. Rhg. Br. at 43. As such, Staff's proposed capital structure represents the utility's actual capital structure. *Id.*

Moreover, Staff's proposed capital structure is the only capital structure that comports with Illinois law. In its Order, the Commission agreed with Staff, CUB-CCSAO-City and IIEC that ComEd's capital structure could not include the goodwill asset associated with the transfer of ComEd's nuclear plants. Order at 128. Otherwise, the goodwill asset artificially inflates the portion of common equity in ComEd's capital structure and, therefore, the rates charged to customers. *Id.*

As we argued in previous pleadings, the Commission presented an excellent legal analysis explaining that such a result would violate Illinois law. *See* CUB-CCSAO-City Br. on Excep. at 12-15; CUB-CCSAO-City App. for Rhg. at 9-13; CUB-CCSAO-City Init. Rhg. Br. at 10-12. In particular, the Commission concluded that including any portion of the goodwill asset in ComEd's capital structure would violate section 9-230's prohibition against increasing a utility's cost of capital because of the "utility's affiliation with unregulated or nonutility companies." Order at 129 (*citing* 220 ILCS 5/9-230).

There has been no evidence presented on rehearing or no argument in ComEd's Initial Brief on Rehearing that changes this result. The capital structure proposed by Staff and adopted

by CUB-CCSAO-City and IIEC is the only capital structure supported in the record and the only capital structure consistent with Illinois law.

**2. Cost of Common Equity – *The Commission Should Adopt CUB-CCSAO-City witness Bodmer’s Recommended 7.75% Cost of Common Equity.***

Despite having requested rehearing regarding the Order’s conclusion on the appropriate cost of common equity, ComEd App. For Rhg. at 30, the utility mostly abandons this issue in its Initial Brief on Rehearing. ComEd devotes only two paragraphs on this issue in its brief. ComEd Init. Rhg. Br. at 50. ComEd mentions in passing its original request for an 11% cost of common equity, but makes no serious effort to suggest that the Commission should adopt its proposal on rehearing. Instead, the utility asserts that the Commission should adopt either the 10.45% cost of common equity in the Order or Staff’s recommended 10.19% cost of common equity. *Id.*

ComEd makes a cursory claim that it has previously demonstrated that CUB-CCSAO-City witness Bodmer’s recommended 7.75% cost of common equity is not just and reasonable. *Id.* For the sake of brevity, CUB-CCSAO-City will not repeat its arguments showing that Mr. Bodmer’s investment bank analysis is supported in the record, accurately reflects investors’ demands and should be adopted by the Commission. *See* CUB-CCSAO-City Init. Br. at 25-37; CUB-CCSAO-City Reply Br. at 22-32; CUB-CCSAO-City Br. on Excep. at 18-26; CUB-CCSAO-City Reply Br. on Excep. at 14-17; CUB-CCSAO-City App. for Rhg. at 13-19; CUB-CCSAO-City Init. Rhg. Br. at 20-22. Nothing in ComEd’s conclusory remark changes this conclusion.

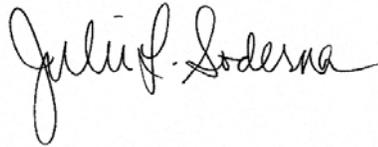
**CONCLUSION**

WHEREFORE, for the above stated reasons, the Citizens Utility Board, Cook County State's Attorney's Office and the City of Chicago request that the Commission enter an order establishing just and reasonable rates for Commonwealth Edison based upon the arguments presented above and in our Initial Brief on Rehearing.

Respectfully submitted,

**CITIZENS UTILITY BOARD,**

November 21, 2006



By: \_\_\_\_\_

JULIE SODERNA

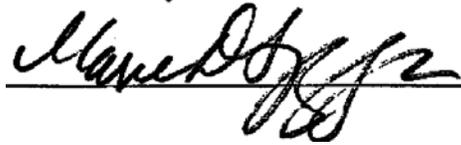
**CITIZENS UTILITY BOARD**

Julie Soderna  
Citizens Utility Board  
208 S. LaSalle, Suite 1760  
Chicago, IL 60604  
(312) 263-4282  
(312) 263-4329 fax  
[jsoderna@citizensutilityboard.org](mailto:jsoderna@citizensutilityboard.org)

Respectfully submitted,

November 21, 2006

**RICHARD A. DEVINE,  
STATE'S ATTORNEY OF COOK COUNTY**

A handwritten signature in black ink, appearing to read "Marie D. Spicuzza", written over a horizontal line.

MARIE D. SPICUZZA  
Assistant State's Attorney

**RICHARD A. DEVINE  
STATE'S ATTORNEY OF COOK COUNTY**

Mark N. Pera  
Supervisor, Environment and Energy Division  
Marie D. Spicuzza  
Deputy Supervisor, Environment and Energy Division  
Allan Goldenberg  
Assistant State's Attorneys

Cook County State's Attorney's Office  
69 West Washington, Suite 3130  
Chicago, Illinois 60602  
312-603-8600  
312-603-9835 (fax)  
mpera@cookcountygov.com  
mspicuz@cookcountygov.com  
agolden@cookcountygov.com

November 21, 2006

Respectfully submitted,

**MARA S. GEORGES  
CORPORATION COUNSEL  
CITY OF CHICAGO,**



By: \_\_\_\_\_

RONALD JOLLY  
Senior Counsel

**MARA S. GEORGES  
CORPORATION COUNSEL**

Ronald D. Jolly  
Senior Counsel  
J. Mark Powell  
Assistant Corporation Counsel  
City of Chicago  
30 N. LaSalle St., Suite 900  
Chicago, Illinois 60602  
312-744-6929  
rjolly@cityofchicago.org  
mark.powell@cityofchicago.org