

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY :
 :
Petition for Approval of Tariffs Implementing : No. 07-
A New Competitive Procurement Process and :
Recovering Procurement Costs :

**VERIFIED PETITION FOR APPROVAL OF
TARIFFS IMPLEMENTING A NEW COMPETITIVE PROCUREMENT
PROCESS AND RECOVERING PROCUREMENT COSTS**

Commonwealth Edison Company (“ComEd”) petitions the Illinois Commerce Commission (“Commission”), pursuant to Articles IX and XVI of the Illinois Public Utilities Act and Public Act 95-0481,¹ for approval of the tariffs attached to this Petition in legislative form as Attachment A and in “clean” form as Attachment B. These tariffs allow ComEd to: (1) support and implement a procurement plan approved by the Commission in accordance with PA 95-0481; and (2) to recover its costs of procurement under such plans and certain contracts that predate PA 95-0481. They also provide for an orderly transition from the Illinois Auction process to the new planned competitive process established by PA 95-0481. In support of this Petition, ComEd states:

1. Section 16-111.5 of the Act, newly added by PA 95-0481, requires ComEd to prepare and file with the Commission, within 60 days of its effective date, a procurement plan (“Plan”). The law further requires ComEd to contemporaneously propose new tariffs both to recover its procurement costs and to establish prices and other terms reflecting the new procurement method and its costs. 220 ILCS 5/16-111.5(l). ComEd proposes a package of

¹ Public Act 95-0481 (“PA 95-0481”), effective on August 28, 2007, amended the Illinois Public Utilities Act (the “Act”), 220 ILCS 5/1-101 *et. seq.*, and created the Illinois Power Agency Act (“IPA Act”). The IPA Act has not as of this date yet been incorporated into the Illinois Compiled Statutes.

tariffs that meet the requirements of PA 95-0481 and can effectively and efficiently implement procurement Plans adopted thereunder, including the initial Plan that ComEd files contemporaneously with this Petition.

2. ComEd’s tariffs support and implement the new planned competitive procurement structure adopted by PA 95-0481. To accomplish this, several tariffs must be fundamentally revised. For example:

- Rider CPP – Competitive Procurement Process (“Rider CPP”) itself specified the procurement process. Under PA 95-0481, distinct procurement plans serve that function. The tariffs must be capable of functioning well with a series of these plans.
- Rider CPP was designed to work with a particular procurement process: a descending clock reverse auction (*i.e.*, the Illinois Auction). Under PA 95-0481, the tariffs must be capable of functioning with a variety of possible procurement processes that may be proposed in future years.
- Rider CPP was designed to procure a uniform “full requirements” product. The new tariffs must be able to function with a variety of products (*e.g.*, block energy, balancing energy, capacity, transmission and other PJM-provided services), that may be procured in several different ways (*e.g.*, RFP, bilateral purchases, PJM spot or forward markets).
- Rider CPP envisioned moving toward a “steady state” of annual Illinois Auctions. The new tariffs must transition ComEd and its customers from that model to the new process established by PA 95-0481.

3. ComEd's tariffs must also define how, from what customers, and in what proportions the costs of procurement and related transmission and ancillary transmission services costs are recovered. Section 16-111.5(1) of the Act assures ComEd's recovery of its costs of procurement pursuant to a Commission approved Plan. Section 16-111.5(1) further provides that, through these same tariffs, ComEd "shall also recover its full costs of procuring electric supply for which it contracted" under the Illinois Auction process. ComEd's tariffs must also "include a formula rate or charge designed to pass through both the costs incurred by the utility in procuring a supply of electric power and energy for the applicable customer classes with no mark-up or return on the price paid by the utility for that supply, plus any just and reasonable costs that the utility incurs in arranging and providing for the supply of electric power and energy." *Id.* Finally, the tariffs must "contain provisions that ensure that its application does not result in over or under recovery due to changes in customer usage and demand patterns, and that provide for the correction, on at least an annual basis, of any accounting errors that may occur." *Id.*

4. The tariff package ComEd proposes satisfies all the applicable legal requirements. The proposed tariffs recover ComEd's procurement costs on a formula-based, pass through basis. These costs of supply and of transmission and ancillary transmission services are recovered from retail customers without mark-up or return on the prices paid by ComEd. The tariffs include a mechanism to ensure that ComEd does not over- or under-recover, and a means to reconcile, on a monthly basis, ComEd's actual costs with amounts billed to customers and to correct any accounting errors that may occur. In addition, the tariffs provide for the orderly transition from the Illinois Auction process, to the new procurement structure established by PA 95-0481, while continuing to meet ComEd's other statutory obligations. Finally, the tariff package makes several housekeeping changes required to keep ComEd's other rates in sync with the new tariffs.

5. Attached to this Petition as Attachment C is the Affidavit of Mr. Lawrence Alongi, ComEd's Manager, Retail Rates. The affidavit details each of the proposed tariffs and explains why, individually and collectively, they comply with the law and should be approved.

6. 220 ILCS 5/16-111.5(j)(ii) requires the Commission to approve or modify these tariffs in the same Order as it addresses ComEd's proposed initial procurement Plan.

WHEREFORE, ComEd respectfully requests that the Illinois Commerce Commission grant this Petition and, at such time the Commission enters its Order approving an initial procurement plan, also give ComEd leave to file the tariff sheets contained in Attachment B, to be effective immediately upon filing.

Dated: October 29, 2007

Respectfully submitted,

COMMONWEALTH EDISON COMPANY



By: _____

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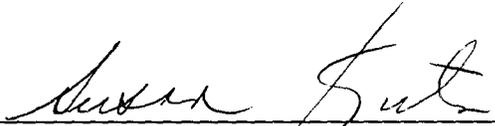
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VERIFICATION

Paul R. Crumrine, being first duly sworn on oath, deposes and says that he is the Director, Regulatory Strategies & Services of Commonwealth Edison Company, the Petitioner herein, that he has read the foregoing Verified Petition, that he is familiar with the contents thereof, and that the facts stated therein same are true and correct to the best of his knowledge and belief.

Paul R. Crumrine
Paul R. Crumrine

SUBSCRIBED AND SWORN TO before
me this 26th day of October, 2007


Notary Public

