

ICC Docket No. 07-0566
Commonwealth Edison Company's Response to
People of the State of Illinois' ("AG")
1st Set of Data Requests 2.01 – 2.31
Dated: December 6, 2007

REQUEST NO. AG (MLB) 2.19:

Reference: Williams testimony line 1301

According to Mr. Williams, "ComEd has proposed using the six-year average of storm restoration O&M expenses. These expenses are incurred outside of normal work operations in response to storm emergencies." Please state with specificity each of the Company's accounting, time reporting and transaction coding policies and procedures that are relied upon to isolate such "expenses" and provide the amounts of same that were incurred in each of the years 2001 through 2007 (to date), by FERC Account and by type of cost (labor, benefits, materials, contractor charges, etc.).

RESPONSE:

AG (MLB) 2.19_Attach 1 contains a copy of the Exelon Energy Delivery Storm/Event Cost Tracking Guidelines applicable to ComEd. See AG (MLB) 2.19_Attach 2 and AG (MLB) 2.19_Attach 3, respectively, for the 2001 – YTD 2007 storm expenses by FERC account and type of cost.

FUNCTIONAL AREA													
AD	AM	FI	CM	CS	EA	EN	EP	EX	FM	GO	HR	IT	OP
	X	X	X	X			X			X			X
QA	RE	SA	SM	TQ	VM	WM							
						X							

Storm/Event Cost Tracking Guidelines

1 **PURPOSE**

1.1. The purpose of this procedure is to describe general responsibilities for the initiation of accurate accounting and communication of work orders (PED) / projects (CED)-during an on-system storm / event. The procedure identifies the process to enable funding reimbursements for qualifying incremental expenses generated by storms / events and necessary steps to be taken for completion of the event.

This procedure applies to EED Operations and Technical Services organizations involved in storm / event response for EED.

1.2 Section 6 has been divided into the following subsections:

Subsection	Title	Page
6.1	Storm / Event Determination	3
6.2	On-System	3
6.3	Closure	5

2. **TERMS AND DEFINITIONS**

2.1 **DATAMARTS**: EPS data that pulls from the General Ledger containing work order information needed to pull storms meeting ICC reportable criteria.

2.2 **ERD**: Emergency Response Director

2.3 **EP**: Emergency Preparedness Department

2.4 **GENERAL LEDGER**: The corporate accounting records.

2.5 **JOURNAL ENTRY (JE)**: An accounting entry to the Exelon general ledger.

- 2.6 DDC SHIFT MANAGER: (DSM) Electric or Gas Shift Manager who is on duty when the storm / event conditions occur.
- 2.7 PROJECT MANAGER: (PM) The person who is assigned at CED to make sure the projects issued for storms are put "In-Service" and "Closed" in timely fashion following the proper procedures.
- 2.8 PROJECT EVALUATION DEPARTMENT: (PE) The department that issues projects and maintains PeopleSoft with proper project information and status as determined by the Project Manager.
- 2.9 OFF-SYSTEM EVENT: A response to assist a neighboring utility during a storm / event which requires Exelon resources.
- 2.10 ON-SYSTEM EVENT: A response to storm / event which is in the Exelon territory, effects Exelon customers, and requires Exelon resources.
- 2.11 STORM / EVENT DEFINITIONS:
 - 2.11.1 STORM: ICC Reportable storm criteria – Weather-related outage affecting 4500 customers for three consecutive hours (PECO) and 10,000 customers for three consecutive hours (ComEd)
 - 2.11.2 OPCON LEVEL 3 EVENT OR HIGHER: Declaration of OPCON Level 3 (or higher) based on system events defined in emergency response procedures.
 - 2.11.3 OCC ACTIVATION: OCC is activated and personnel are held in standby awaiting an impending event.
 - 2.11.4 GAS EVENT: More than 100 customers affected, or transmission pipeline rupture.
- 2.12 ELIGIBLE EXPENDITURES: The following expenditures are considered Eligible Expenditures for an event (incurred overheads do not qualify):
 - 1. Overtime
 - 2. Storm Kits
 - 3. Contractors
 - 4. Foreign Utility Crew Expense

5. Meals, Travel & Lodging
6. Snow Removal
7. Incidental expenses incurred solely as a result of the storm or event during restoration activities, i.e., generator costs.

3 **RESPONSIBILITIES**

3.1. **EED FINANCE**

3.1.1 Analyze expenditures.

3.1.2 **GENERATE** a monthly report to quantify the cost of the storm event, *verify all costs are Eligible Expenditures* and prepare and analyze associated journal entries for incremental costs that will be credited to the region from the storm department.

3.1.3 Review and approve storm related journal entries within EED Operations and Technical Services

Analyze all costs hitting the Storm Department for appropriateness.

3.2 **ERD/DDC SHIFT MANAGER (DSM)**

3.2.1 The DSM has the responsibility to identify a storm / event.

3.2.2 The DSM will communicate the applicable work order (PED) / project (CED) number to the organization to capture storm charges.

4. **PRECAUTIONS AND LIMITATIONS**

4.1. **PRECAUTIONS** - None

4.2. **LIMITATIONS**

4.2.1 On-System Storm / Event.

4.2.2 DSM, **PERFORM** one of the following:

1. **DETERMINE** if a storm/event is occurring ON or OFF system

2. IF Off-System, THEN NOTIFY the ERD (or the Manager, EP) of Off-System request for assistance, refer to EP-ED-230 Mutual Assistance process.

5. **PREREQUISITES**

- 5.1. This procedure is activated when there is a qualified event.

6. **PROCEDURE**

6.1 **ON-SYSTEM**

- 6.1.1 **COMMUNICATE** the work order (PED) / project (CED) number using **ALL** of the following methods:

1. DSM Announce on the Morning Report (if applicable)
2. ERD Announce during a Conference Call
3. DSM E-mail and/or pages out the applicable charge numbers.
4. ERD e-mails to Finance the Work order (PED) / Project ID (CED).
5. EP notifies EED Finance if the storm / event met ICC Reportable storm criteria.

- 6.1.2 CED storm / event participants **CREATE** a work order and use the applicable project number. PED storm / event participants use the work order number issued by the DSM until the event ends.

- 6.1.3 CED storm / event participants **REVIEW** at the 30 day anniversary of each event and must take the work order to "Finish" and complete all associated tasks, material requests, contracts, purchase orders and equipment screens in Passport. At the 30 day mark all assets must be in the Passport system so the project can be put In-Service and be ready to close at the three month anniversary. Any item still active must be explained to the CED Project Manager.

- 6.1.4 PED work order is reviewed and closed by the DSM.

- 6.1.5 Emergency Preparedness will communicate to EED Finance whenever there is an event determined to qualify for reimbursement, and what the qualifying measurement was.

- 6.1.6 **EED FINANCE** will **EVALUATE** the storm / event costs and **DETERMINE** whether a journal entry is required to credit the region(s) for specified resources expended during the storm / event.
1. The Director of EED Finance can request credits for eligible expenditures that were used during an event to support the event; or, for outside resources that were used for the removal of snow from EED property.
 2. To obtain these credits, the Financial Analyst assigned to review the affected areas needs to run ad-hoc datamart queries that reference the assigned event work order (PED) / project (CED).
- 6.1.7 The requesting Financial Analyst **PREPARES** a brief summary of the costs incurred (Company, organization, by subaccount, for each declared storm / event) and the proposed journal entry. The proposed journal entry crediting the affected department and debiting the storm fund. The cost summary is **FORWARDED** to the Director of EED Finance approves; or, at his/her discretion, forwards to the VP, EED Finance requesting approval.
- 6.1.8 The Director of EED Finance **SHALL NOTIFY** the Financial Analyst requesting reimbursement requested JE has been approved.
- 6.1.9 The Financial Analyst **SHALL SUBMIT** the electronic journal entry on the second day of the month so the majority of the charges are captured prior to allocations running, following the approval of their and notify their JE Approver when complete so it can be approved and processed to the General Ledger. The JE goes to the department, subaccount, project level as an exact offset.
- 6.3 **CLOSURE**
- 6.3.1 CED - Each department participating in the storm / event is responsible to **CLOSE** their work orders, tasks, material requests, contract, purchase order and equipment screens at the end of the event. PED – follow normal work order close procedures at the end of the event.
- 6.3.2 The CED PM will run the FIN005 report to find any outstanding items that have not been completed and will forward to those organizations leads the information needing completed before the project can be closed. (This report is available to all Passport users under the Financial Reports in Brio.)

- 6.3.3 The CED PM will run the FIN009 report to find the asset map rows of installed equipment and submit to the CED Project Evaluation Team for updating in PeopleSoft and request the project be put “In-Service”, no more than 30 days from the initial project start date so AFUDC is not inappropriately incurred. If the event lasts longer than the 30 days, the “In-Service” date should be indicated as to the actual date the project was actually met the “In-Service” criteria.
- 6.3.4 The project is closed the date that all Passport Items are complete and nothing remains outstanding, i.e., reimbursements, and the CED Project Evaluation Team is notified.

7 **DOCUMENTATION**

- 7.1 Journal Entry documentation generated during performance of this storm / event procedure SHALL be filed and maintained by EED FINANCE following the standard JE Record Retention Policy.

8 **REFERENCES**

- 8.1. EP-ED-230, Mutual Assistance procedure.

9. **ATTACHMENTS**

- 9.1 Attachment FI-ED-4001-1, Charging and Accounting During Storm Response Flowchart

10. **DEVELOPMENT HISTORY**

Revision 0		Date 4/30/2004
Writer	Greg Tierney (Asset Management), Tom Luke (Operations)	
Reviewer(s)	Jean Holderried, Scott Williams, Allison Stutts (Asset Management); Carl Segneri (C&M); Bruce Renwick (Dispatch & Operations); Katie Houtsma, Steve Hirst, Ron Slack (EED Finance)	
Approver(s)	Michael Beckstead, EED Finance VP	
Reason Written	Critical process to meet Exelon project approval requirements	

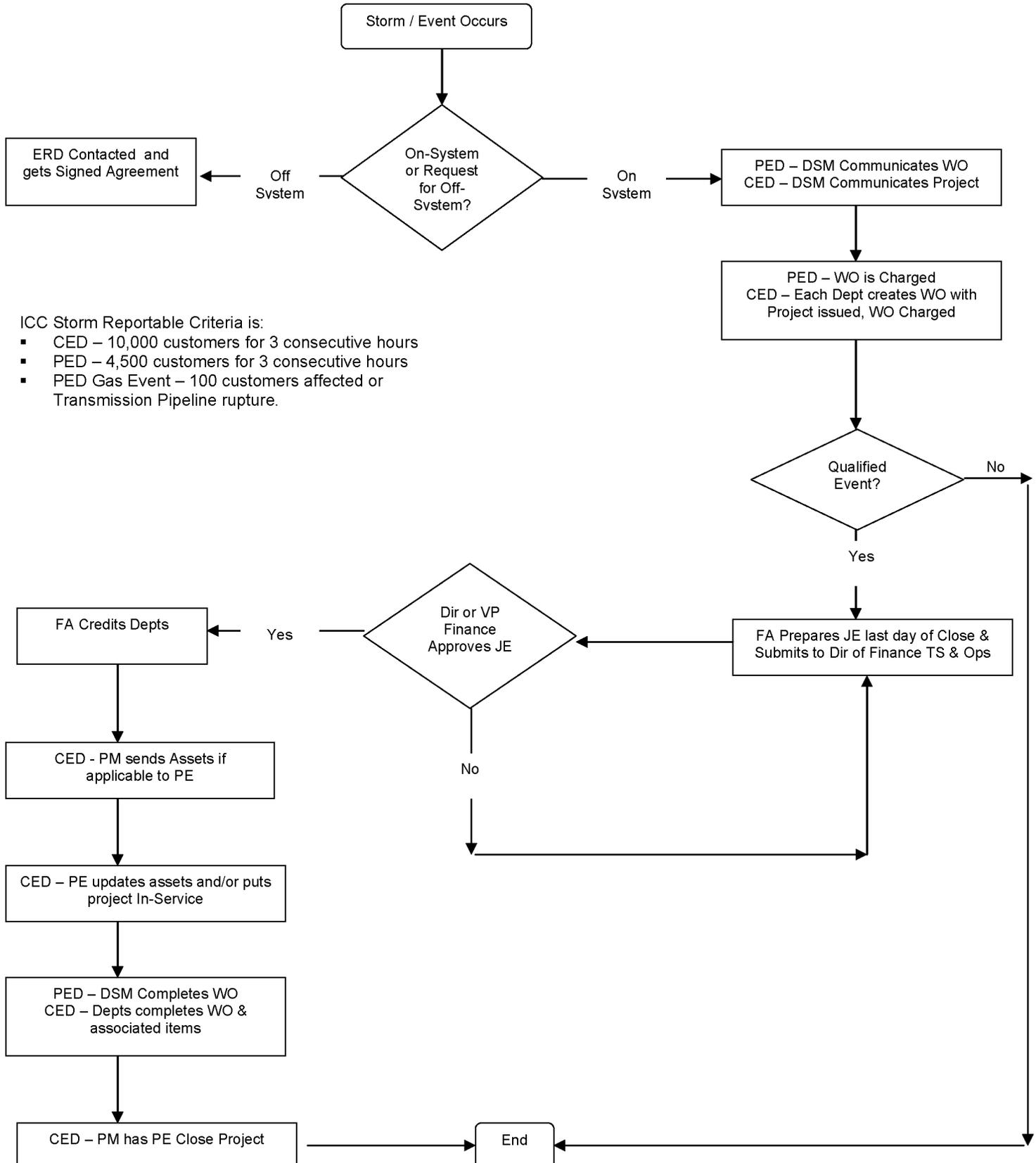
Revision 1		Date 5/31/05
Writer	Wendy Willett (EED Finance – Operations)	
Reviewer(s)	Grace Brigando, Mike Kanosky, Donna Melzi, Stew Griest, Mike Heisler, Robert Dvorak (EED Finance - Operations), Mike Innocenzo, Grace Brigando	
Approver(s)	Rob Dvorak	
Reason for Change	Process within EED Finance was updated and includes information on closing out the Project in addition to just the work order.	

Revision 2		Date
Writer		
Reviewer(s)		
Approver(s)		
Reason for Change		

Revision 3		Date
Writer		
Reviewer(s)		
Approver(s)		
Reason for Change		

Revision 4		Date
Writer		
Reviewer(s)		
Approver(s)		
Reason for Change		

ATTACHMENT FI-ED-4001-1
Charging and Accounting During Storm Response Flowchart



ICC Storm Reportable Criteria is:

- CED – 10,000 customers for 3 consecutive hours
- PED – 4,500 customers for 3 consecutive hours
- PED Gas Event – 100 customers affected or Transmission Pipeline rupture.