

**Commonwealth Edison Company's Response to  
Staff's (DLH) Data Requests 15.01 – 15.04  
Dated: November 30, 2007**

**REQUEST NO. DLH 15.01:**

Referring to ComEd's Schedule C-11-1, provide the total a) direct and b) allocated payroll charged from BSC to the following ComEd categories for 2003 through 2006 inclusive

- a) Power production;
- b) Transmission;
- c) Distribution;
- d) Customer accounts;
- e) Sales;
- f) Administrative and General;
- g) Total payroll charged to expense (sum of items in subsections (a) through (f));
- h) Total payroll charged to construction; and
- i) Total payroll (sum of items in subsections (g) and (h)).

**RESPONSE:**

As discussed ComEd's response to PL 4.01, ComEd does not receive or record payroll charged from EBSC separately from other EBSC charges. As a result, ComEd is unable to specifically identify the direct and allocated payroll portion of charges from BSC to ComEd in the categories requested. However, ComEd can identify the FERC accounts to which total EBSC charges are recorded. Please see DLH 15.01\_Attach 1, which identifies all EBSC charges, by FERC Account, for 2003 through 2006.

FERC / ICC Account	Account Description	2003	2004	2005	2006	Jurisdictional Service In Schedule B-1 (a), (e), (f)	Jurisdictional Expense in Schedule C-1 (b)
<b>Balance Sheet -</b>							
107	Construction Work in Progress	\$ 18,943	\$ 55,985	\$ 55,920	\$ 77,283	\$ 208,131	
108	Accum. Prov. for Depr. Amort. Depl.	9	24	2,190	2		
146	Accounts Receivable from Associated Companies	-	1,337	-	-		
163	Stores Expense Undistributed (c), (d)	410	6,302	4,965	4,581	6,503	2,441
184	Clearing Accounts (c), (d)	372	3,794	1,946	1,819	3,172	969
186	Miscellaneous Deferred Debits	783	62	854	34	-	-
228	Acc Misc Operating Provisions	-	-	1	1	-	-
	<b>Subtotal</b>	<b>20,517</b>	<b>67,504</b>	<b>65,676</b>	<b>83,720</b>	<b>217,807</b>	<b>3,410</b>
<b>Other Expenses -</b>							
408.1	Taxes Other Than Income	-	-	(1)	(2)	-	-
416	(Less) Costs and Exp. of Merchandising, Job & Contract Work	44	6	160	337	-	-
426	Other Deductions	3	79	592	180	-	-
454	Rent from Electric Property	2	-	-	-	-	-
556	System Control and Load Dispatching	2	-	-	-	-	-
	<b>Subtotal</b>	<b>51</b>	<b>85</b>	<b>751</b>	<b>515</b>		
<b>Transmission -</b>							
560	Operation Supervision and Engineering	326	3,282	3,453	2,756	-	-
561	Load Dispatching	1	217	218	93	-	-
562	Station Expenses	-	177	226	136	-	-
563	Overhead Lines Expenses	-	-	50	45	-	-
564	Underground Lines Expenses	-	2	-	-	-	-
566	Miscellaneous Transmission Expenses	143	107	147	1,103	-	-
568	Maintenance Supervision and Engineering	503	300	578	(153)	-	-
569	Maintenance of Structures	-	18	42	1,407	-	-
570	Maintenance of Station Equipment	4	1,146	1,881	1,295	-	-
571	Maintenance of Overhead Lines	-	311	512	713	-	-
572	Maintenance of Underground Lines	-	354	338	311	-	-
573	Maintenance of Miscellaneous Transmission Plant	-	-	2	8	-	-
	<b>Subtotal</b>	<b>977</b>	<b>5,914</b>	<b>7,447</b>	<b>7,714</b>		
<b>Distribution -</b>							
580	Operation Supervision and Engineering	2,400	1,308	3,322	850	850	
581	Load Dispatching	18	4	4	1	1	
582	Station Expenses	-	307	208	201	201	
583	Overhead Line Expenses	4	433	483	446	446	
584	Underground Line Expenses	4	582	417	210	210	
585	Street Lighting and Signal System Expenses	-	36	30	37	37	
586	Meter Expenses	14	599	737	608	608	
587	Customer Installations Expenses	-	912	1,915	1,278	1,278	
588	Miscellaneous Expenses	951	259	335	3,577	3,577	
590	Maintenance Supervision and Engineering	3,402	6,251	4,162	(989)	(989)	
591	Maintenance of Structures	-	10	16	6	6	
592	Maintenance of Station Equipment	3	3,246	4,288	3,340	3,340	
593	Maintenance of Overhead Lines	9	3,024	2,846	2,614	2,614	
594	Maintenance of Underground Lines	3	1,959	2,144	2,198	2,198	
595	Maintenance of Line Transformers	-	264	318	129	129	
596	Maintenance of Street Lighting and Signal Systems	-	321	321	224	224	
597	Maintenance of Meters	-	-	6	7	7	
598	Maintenance of Miscellaneous Distribution Plant	-	13	25	8,678	8,678	
	<b>Subtotal</b>	<b>6,808</b>	<b>19,528</b>	<b>21,577</b>	<b>23,415</b>		<b>23,415</b>
<b>Customer -</b>							
901	Supervision	(1)	383	386	623	623	
902	Meter Reading Expenses	30	2	324	505	505	
903	Customer Records and Collection Expenses	15,421	21,945	25,822	19,359	19,359	
908	Customer Assistance Expenses	65	1,612	1,986	1,720	1,720	
909	Informational and Instructional Expenses	2	775	2,472	592	592	
	<b>Subtotal</b>	<b>15,517</b>	<b>24,717</b>	<b>30,990</b>	<b>22,799</b>		<b>22,799</b>
<b>Administrative and General -</b>							
920/921	Administrative and General Salaries and Office Supplies and Exp	59,603	30,656	15	896	796	
922	Administrative Expenses Transferred-Credit	(6,379)	(10,083)	(8,077)	(9,458)	(8,399)	
923	Outside Services Employed	20,100	112,286	130,885	169,332	134,520	
924	Property Insurance	1,279	-	1,101	1,021	907	
925	Injuries and Damages	527	74	87	41	36	
926	Employee Pensions and Benefits	928	-	(2)	(13)	(12)	
928	Regulatory Commission Expenses	1	1	63	28	25	
930.1	General Advertising Expenses	-	4,182	4,966	2,990	2,655	
930.2	Miscellaneous General Expenses	3	24	333	708	629	
935	Maintenance of General Plant	-	5	279	33	29	
	<b>Subtotal</b>	<b>76,062</b>	<b>137,145</b>	<b>129,650</b>	<b>165,578</b>		<b>131,186</b>
	<b>Total</b>	<b>119,932</b>	<b>254,893</b>	<b>256,291</b>	<b>303,741</b>	<b>217,807</b>	<b>180,810</b>
<b>Adjustment to remove amount subsequently billed to PECO</b>							
		-	(1,337)	-	-		
	<b>Grand Total</b>	<b>\$ 119,932</b>	<b>\$ 253,556</b>	<b>\$ 256,291</b>	<b>\$ 303,741</b>	<b>\$ 217,807</b>	<b>\$ 180,810</b>

(a) Jurisdictional Capital includes cumulative portion in each year that is in rate base in B-1  
 (b) Only 2006 test year jurisdictional amounts are included.  
 (c) The jurisdictional portion of stores and other clearing accounts represent the estimated allocated expenditures to CWP that would have been in service by Q3 2008. These costs would be included in B-1  
 (d) The jurisdictional portion of stores and other clearing accounts represent the estimated allocated expenditures in 2006 that would be included in C-1.  
 (e) Construction Work in Progress (CWIP) would be reflected in B-1 as plant in service.  
 (f) The impact on accumulated depreciation or depreciation expense for the plant adds is not reflected.

**Commonwealth Edison Company's Response to  
Staff's (DLH) Data Requests 15.01 – 15.04  
Dated: November 30, 2007**

**REQUEST NO. DLH 15.04:**

Referring to Exelon BSC's 2006 FERC Form 60, page 305, line 8, column (b), reflects \$69,062,137 in BSC Information Technology ("IT") costs to Account 920, Salaries and Wages.

- a) Provide the amount a) allocated to and b) directly charged to ComEd.
- b) Identify the amounts from a) above by line and column reference to Schedules B-1 and C-1.
- c) For the years 2003 through 2005 inclusive, provide the total IT BSC salaries and wages costs.
- d) For the amounts in c) above, provide the amount a) allocated to and b) directly charged to ComEd.
- e) For the amounts reflected in items a) and b) above, provide a listing of projects, work orders, tasks, or other identifiable measures to account for the IT labor costs. Specifically identify the dollar amounts charged and not charged to specific projects.
- f) For the costs in a) and b) above, provide copies of any studies, analysis, reports, or other documents monitoring, studying, or discussing the level of BSC IT costs charged to ComEd in 2006.

**RESPONSE:**

- a) ComEd does not receive or record payroll charged from EBSC separately from other EBSC charges. IT costs are billed to ComEd on a variety of units of measure and as a result, we are unable to specifically identify the direct and allocated salaries and wages charges from BSC IT to ComEd. See DLH 10.04\_Attach 10 for the rates charged by EBSC IT for unit priced services, and DLH 7.02 Supplemental Response\_Attach 1 for the year-to-date EBSC IT billings to ComEd. In an attempt to be responsive to this question with information that is available, the 2006 total direct and indirect BSC IT billings to ComEd (including salaries and wages) are shown below:

	In 000s
Direct BSC IT Billings to ComEd	\$78,494
Indirect BSC IT Billings to ComEd	\$12,116

- b) See DLH 15.04\_Attach 1 for the jurisdictional amounts included in Schedules C-1 and B-1.
- c) For the years 2003 through 2005 the total BSC IT salaries and wages costs are provided in the table below. IT salaries and wages costs for 2003 and 2004 are from the Exelon Corporation's SEC Form U-13-60. IT salaries and wages costs for 2005 are from Exelon Business Services' FERC Form 60 filings. The increase in salaries and wages from 2003 to 2004 for BSC was primarily due to the restructuring as a result of Exelon Way which transferred employees from the business units to EBSC IT.

In 000s

<u>Year</u>	<u>IT Salaries &amp; Wages</u>
2003	\$26,249
2004	\$64,730
2005	\$63,885

- d) As stated in item a) above, ComEd does not receive or record payroll charged from EBSC separately from other EBSC charges. As a result, ComEd is unable to specifically identify the direct and allocated salaries and wages charges from BSC IT. In an attempt to be responsive to this question with information that is available, the 2006 total direct and indirect BSC IT billings (including salaries and wages) are being provided for 2003 through 2005.

In 000s

	<u>2003</u>	<u>2004</u>	<u>2005</u>
Direct BSC IT Billings to ComEd	\$49,705	\$55,776	\$60,587
Indirect BSC IT Billings to ComEd	\$318	\$2,516	\$5,099

- e) As stated in item a) above, ComEd does not receive or record payroll charged from EBSC separately from other EBSC charges. As a result, we are unable to specifically identify the direct and allocated salaries and wages charges from BSC IT to ComEd by project. However, a listing of all BSC IT SLAs and a sample of a number of IT SLAs was provided in DLH 10.04 Attachment 1 which identifies the type of work performed by BSC IT on ComEd's behalf.
- f) See ComEd Ex. 8.2, sections 5, 7 and 9. See also ComEd's response to DLH 17.03, specifically, DLH 17.03\_Attach 22 though 42.

**Commonwealth Edison Company  
 Jurisdictional BSC IT Billings  
 (in millions)**

<u>FERC Account</u>	<u>Description</u>	<u>Reference</u>	<u>Amount</u>	<u>Jurisdictional In Service in Schedule B-1</u>	<u>Jurisdictional Expense in Schedule C-1</u>
<b><u>Balance Sheet</u></b>					
107 (a)	Construction Work in Progress	Schedule B-1, Page 1, Column D, Line 3	\$ 39.9	\$ 32.5	\$ -
<b><u>Transmission Accounts</u></b>					
560	Operation Supervision and Engineering	N/A	(0.3)	-	-
566	Misc. transmission expenses	N/A	1.0	-	-
568	Main supervision & engineering	N/A	(0.2)	-	-
569.1	Maint of Computer Hardware	N/A	0.4	-	-
569.2	Maint of Computer Software	N/A	0.7	-	-
569.3	Maint of Communication Equip	N/A	0.4	-	-
<b><u>Distribution Accounts</u></b>					
580	Oper supervision & engineering	Schedule C-1, Page 1, Column G, Line 8	0.4	-	0.4
588	Misc distribution expenses	Schedule C-1, Page 1, Column G, Line 8	3.5	-	3.5
590	Main supervision & engineering	Schedule C-1, Page 1, Column G, Line 8	(1.5)	-	(1.5)
598	Main of misc distrib plant	Schedule C-1, Page 1, Column G, Line 8	8.6	-	8.6
<b><u>Customer Accounts</u></b>					
901	Supervision	Schedule C-1, Page 1, Column G, Line 9	0.2	-	0.2
903	Customer records & collect exp	Schedule C-1, Page 1, Column G, Line 9	14.1	-	14.1
<b><u>Administrative and General Accounts</u></b>					
920-923 (b)	Salaries/Office Supplies/Outside Services	Schedule C-1, Page 1, Column G, Line 12	22.8	-	20.2
Total			<u>\$ 90.0</u>	<u>\$ 32.5</u>	<u>\$ 45.5</u>

(a) Jurisdictional portion for CWIP is expected to be in service by Q3 2008. Allocated using Gross Plant Allocator. See WPA-5, Page 3.

(b) Jurisdictional portion determined using the wage and salary allocator of 88.8%. See WPA-5, Page 1.

**Commonwealth Edison Company's Response to  
Staff's (DLH) Data Requests 19.01 – 19.02  
Dated: December 17, 2007**

**REQUEST NO. DLH 19.02:**

Referring to the Company's response to Staff data request DLH-10.04, item e) describes an \$11 million increase related to a Post-2006 Project.

- a) Provide the amount included in Schedules B-1 and C-1, by line and column reference, related to the Post-2006 Project.
- b) Provide a detailed listing of the charges in a) above by ICC account and by sub-account.
- c) Provide supporting documentation from the Company's general ledger system for the amounts in a) and b) above.
- d) Provide all SLAs or other documentation which describe the scope of the Post-2006 Project.
- e) Explain the rationale for the amount capitalized versus expensed for the Post-2006 Project and explain the rationale for the expected life of the project.
- f) How will Exelon Generation Company, LLC be affected by ComEd's implementation of the Post-2006 Project? For example, are any parts of the Post-2006 Project used to properly record the costs of selling power? Fully explain all functions of the Post-2006 Project.
- g) Provide the amounts capitalized and charged to expense for the Post-2006 project, by year, for the years 2004 and 2005 (if applicable) and 2007 to date.

**RESPONSE:**

- a) Of the \$11,009,372.25 in IT charges billed to ComEd from BSC in 2006 for the Post-2006 project:

\$9.9 million was recorded as capitalized intangible plant and is included in Schedule B-1, Page 1, line 3, Column (D)

\$1.1 million was recorded as Customer O&M expense and is included in Schedule C-1, Page 1, line 9, Column (G)

\$35K was recorded as A&G expense and is included in Schedule C-1, Page 1, line 2, Column (G).

- b) The \$11.0 million was all billed to subaccount 529550, Direct Bill IT – Non Telecom Services. It is accounted for in the following FERC Accounts:

FERC		
<u>Account</u>	<u>Description</u>	<u>Total</u>
107	Construction WIP	\$ 9,851,014.31
560-569	Transmission O&M (net)	(0.07)
580-598	Distribution O&M (net)	(615.48)
903	Customer records and collect expense	1,119,596.34
920	Admin and general salaries	30,252.64
923	Outside services employed	(7,145.83)
928	Regulatory commission expense	16,270.34
Grand Total		<u>\$11,009,372.25</u>

- c) The detailed ledger pages, in excel format, are provided in DLH 19.02\_Attach 1.
- d) DLH 19.02\_Attach 2 is a copy of the SLA that govern these IT services. Documentation describing the scope of the Post-2006 project is provided in DLH 19.02\_Attach 3, and DLH 19.02\_Attach 4 CONFIDENTIAL.
- e) For the \$11.0 million in IT charges billed to ComEd from BSC in 2006 for the Post-2006 project, the determination of amounts capitalized versus expensed, was in accordance with the Company's capitalization policy. See the response to JMO 2.03 (JMO 2.03\_Attach 3) for the Company's computer software capitalization policy. The IT charges consisted of the following components:

- Capitalized – Work that added new functionality to IT applications (e.g. building program codes)
- Expensed – Preliminary investigations to determine what work was required as well as any data conversion that was not considered a re-usable asset beyond the production installation date.

As a general policy, ComEd depreciates most of such software projects over five years.

- f) The Post-2006 initiative was undertaken to enable ComEd to operate in accordance with the Restructuring Act of 1997 and approved Procurement Tarriffs which became effective on January 2, 2007 and does not have any direct impacts on other operating companies within Exelon Corporation. For example, and as discussed in greater detail in DLH 19.02\_Attach 3 and DLH 19.02\_Attach 4 CONFIDENTIAL, the Post-2006 project had two major functions:
- 1) Allow ComEd to properly translate energy charges into the retail rates, and
  - 2) Appropriately modify ComEd's then current Billing Systems to meet the requirements associated with the Act and the unbundling of the rates.

The system modifications are made solely to ComEd systems, and will not be used by Exelon Generation or any other electric supplier to ComEd.

- g) There were no IT charges expensed or capitalized for the Post-2006 project in 2004. In 2005, \$35.1K was the jurisdictional amount charged to expense and no amounts were capitalized. In 2007, \$6.5 million was charged to CWIP and of this \$4.4 million was included in the pro-forma plant additions. \$1.6 million was expensed as Customer O&M.

**Commonwealth Edison Company's Response to  
Staff's (DLH) Data Requests 12.01  
Dated: November 26, 2007**

**REQUEST NO. DLH 12.01:**

Referring to ComEd's response to Staff data request DLH-3.01:

- a) Attachment 3, page 1, refers to an IT project "ITSLACOM-ComEd Centrally Held SLAs". Provide a copy of this SLA for years 2004-2006 inclusive.
- b) Provide a complete explanation of what types of costs are charged to, and the scope of, IT project ITSLACOM.
- c) Provide the total and Illinois jurisdictional amount for the years 2004 through 2006, by ICC account, charged to ITSLACOM.
- d) Provide the capitalization rate for ITSLACOM for the years 2004 through 2006, and explain any reasons for changes in the rates.
- e) Referring to c) above, provide the amount charged to ITSLACOM charged by outside contractors.
- f) Explain the Company's rationale for changing the account charged for ITSLACOM from Account 590 to Account 598.

**RESPONSE:**

- a) "ITSLACOM-ComEd Centrally Held SLAs" is not a SLA. It is a project on ComEd's books to group certain IT costs primarily from BSC IT. During 2004-2006, billings from 31 IT SLAs were charged to project ITSLACOM. DLH 12.01\_Attach 1 provides a list of the SLAs accumulated in project ITSLACOM. A complete listing of IT SLAs for services provided to ComEd and a representative sample has been included in ComEd's response to DLH 10.04. All of the sample SLAs provided in DLH 10.04 with the exception of SLA BSCIT207, EPS Financials, had costs associated with the ITSLACOM project. Additional SLAs can be made available, if needed.
- b) For the years 2004 – 2006 BSC IT charged the following types of work to ComEd's project ITSLACOM:
  - IT Application Maintenance – maintenance, support, and small enhancements associated with IT applications
  - IT Business Unit Support – management, oversight and execution of services including contract administration for specific business units.
  - IT Governance – includes establishing standard processes, procedures and methods; Enterprise Architecture and Planning responsible for comprehensive enterprise strategic planning and architecture standards and assurance

- IT Unit Priced Services (i.e. voicemail, email, application hosting) – service and support for various types of products or services provided by BSC IT
- External Vendor (non-BSC) Telecom Charges including cell phone and pagers (invoices processed by BSC IT on behalf of ComEd)

For additional information regarding the work performed and charged to project ITSLACOM, please see DLH 12.01\_Attach 1, which provides a description of the types of services performed under each SLA.

- c) Please see DLH 12.01\_Attach 2. As noted in part a) of the response, Project ITSLACOM pertains to certain IT costs charged to ComEd from BSC IT. The overall increase in charges to Project ITSLACOM from 2004 to 2006 reflects the transfer of ComEd's IT function (and thus costs incurred) from ComEd to BSC. Please see ComEd's response to DLH 10.04 for further discussion of ComEd's IT costs.
- d) For the years 2004 through 2006, no amounts charged to Project ITSLACOM were capitalized.
- e) All amounts in c) above were charged by outside contractors.
- f) Beginning in June 2006, the portion of the charges allocated by Project ITSLACOM (ComEd Centrally Held SLAs) to Distribution maintenance expenses was changed from Account 590 (Maintenance Supervision and Engineering – Distribution) to Account 598 (Maintenance of Miscellaneous Distribution Plant) to more closely align with the instructions for the Uniform System of Accounts. The Uniform System of Accounts instruction for Accounts 590 and 598 are as follows:

**590 Maintenance supervision and engineering (Major only).**

This account shall include the cost of labor and expenses incurred in the general supervision and direction of maintenance of the distribution system. Direct field supervision of specific jobs shall be charged to the appropriate maintenance account.

**598 Maintenance of miscellaneous distribution plant.**

This account shall include the cost of labor, materials used and expenses incurred in maintenance of plant, the book cost of which is includible in accounts 371, Installations on Customers' Premises, and 372, Leased Property on Customers' Premises, and any other plant the maintenance of which is assignable to the distribution function and is not provided for elsewhere.

Items

- a. Work of similar nature to that listed in other distribution maintenance accounts.
- b. Maintenance of office furniture and equipment used by distribution system department.

The mapping change from Account 590 to Account 598 for the portion of the charges allocated by Project ITSLACOM to Distribution maintenance expenses was made because the instructions for Account 598 better fit the costs related to this project. The Distribution maintenance accounts do not specifically provide for the recording of Distribution related IT expenses, however Account 598 provides for “*any other plant the maintenance of which is assignable to the distribution function and is not provided for elsewhere.*”

SLA Document Name	Version	SLA Reference Number	SLA Description
EED Real Time Systems Maintenance&Support	5.11	BSCIT403	This service level arrangement seeks to clearly identify the scope of information technology services provided to Exelon. While this document is not a legal service contract nor is it binding, every effort shall be made to support the business under the terms, conditions, and spirit presented in this arrangement. In the end, Exelon Energy Delivery management discretion and prioritization shall be used to ensure that the proper level of IT support is provided to enable business success. Support all of EED's Real Time Systems (SCADA, EMS, PowerTools, DMACS, ECS, Gas SCADA, Gas DCS, OTS Simulator...)
EDS Customer and Regulatory Services	5.4	BSCIT401	This SLA covers the maintenance, support, and small enhancements that the IT Customer and Regulatory Services Support team will provide for Exelon's Comed and PECO EDS Customer and Regulatory systems.
Operations, Technical Services, Support Services, Force Automation Field Maintenance & Support	5.4	BSCIT402	Exelon IT has the responsibility to provide the information technology systems and services used by Exelon Corporation in transacting day-to-day business. This service level arrangement seeks to clearly identify the scope of information technology services provided to Exelon. While this document is not a legal service contract nor is it binding, every effort shall be made to support the business under the terms, conditions, and spirit presented in this arrangement. In the end, Exelon Energy Delivery management discretion and prioritization shall be used to ensure that the proper level of IT support is provided to enable business success. Support all of EED's Operations, Technical Services, Support Services Field Force Automation
eBusiness Baseline Services	5.4	BSCIT202	This SLA covers the maintenance, support, and small enhancements that the eBusiness Support team will provide for Exelon's eBusiness platforms. This includes Exelon's Internet and Intranet environments, web security framework, portal, team site collaboration, and web content management systems.
eBusiness WEB Application	5.4	BSCIT203	This SLA covers the maintenance, support, and small enhancements that the eBusiness Support team will provide for specified Corporate/BSC, EED, and Genco web-based applications.
Learning Management System (LMS)	5.4	BSCIT209	The LMS is used for personnel training management, delivery of content, and testing/examinations. This SLA Covers maintenance and small enhancements for the LMS.
Desktop Application Training	5.2	BSCIT003	Desktop Application Training provides appropriate and timely desktop application learning resources for all Exelon personnel. The service includes: training facilities management, training development and training delivery
Cost Optimization Services	5.3	BSCIT101	Provide Cost Management for IT services
Executive Support	5.2	BSCIT103	Executive Support is a service that offers a variety of Desktop services and Help Desk support for Level through Level III Exelon executives. Exelon executives are provided with the full range of Premium Level Support services with enhanced performance metrics. These services are included in the PAN services
I&O Site Support	5.2	BSCIT104	Infrastructure and Operations Support ensures consistent approach, standards, and expectations as defined by Exelon IT for the performance of IT and telephony related services.
			This service offers management, oversight and execution of Help Desk Support, Desktop, Video Conference and Telephony services and for Exelon Non-Nuclear Business Unit customers.
IT General Contract Administration	5.2	BSCIT105	This service provides for the administration of IT related contracts. It provides for the requirements review, infrastructure compatibility assurance, invoice payment, internal billing, reporting, analysis, dispute resolution, bill validation, ensuring contract metrics and deliverables, and monitoring of contract progress and renewals
East Print Center	5.3	BSCIT109	Report Generation, printing and microfiche services at the Main Office Building in Philadelphia
Information Assurance - Baseline	5.3	BSCIT001	Information security provides a methodology for uninterrupted operation of computer systems; protecting them from unauthorized or improper use, and maintaining the integrity of the data. Computer clients and servers, fax machines, cellular telephones, voice mail, email, telephones, remote access, and other modern conveniences present us with a set of challenges in protecting the security of sensitive corporate data.

SLA Document Name	Version	SLA Reference Number	SLA Description
Information Assurance - On Demand	5.4	BSCIT002	Information security provides a methodology for uninterrupted operation of computer systems: protecting them from unauthorized or improper use, and maintaining the integrity of the data. Computer clients and servers, fax machines, cellular telephones, voice mail, email, telephones, remote access, and other modern conveniences present us with a set of challenges in protecting the security of sensitive corporate data.
IT Governance - Baseline	5.3	BSCIT005	The IT Governance services deliver the process, standards, consulting, and functions necessary to ensure that the delivery of solutions make use of the appropriate management tracking and control, follow project management and technical standards, and leverage enterprise architectures
Disaster Recovery Planning for EED	5.2	BSCIT107	The Exelon-IT Emergency Preparedness (EP) project offers guidance to the Exelon business community to ensure recoverability of critical computing systems and applications.
Disaster Recovery Planning for Emergency Messaging Services	5.1	BSCIT108	The Exelon-IT Emergency Preparedness (EP) project offers Emergency Messaging Services to the Exelon business community to ensure availability of a messaging system in the event of a catastrophic event that affects e-mail.
Level One Help Desk	5.4	BSCIT106	This service provides a 24x7 single point of contact for all BSC IT customers who experience problems, or have questions or requests related to the provision of IT services.
Disposition of Surplus IT & Related Equipment	5.2	BSCIT102	The preparation of surplus IT equipment for Redeployment, sale, donation, or scrap.
Remote Access -RDS	5.3	BSCIT111	Provides remote connectivity to Exelon through the use of the Internet or Dial-Up. Allowing access to the Exelon data network.
Application Hosting: Unix Servers	5.5	BSCIT117	Application Hosting — Unix Servers consists of providing the infrastructure and services necessary to allow applications to run reliably from a local site or centralized environment (CCC, AT&T or Main Office Buildings).
E-Mail Services	5.2	BSCIT118	E-Mail (Electronic Mail) Services provides a standard Exelon mailbox that provides mail and calendaring capabilities to the subscriber. Also included is a standard Internet e-mail address allowing the user to send and receive messages with people outside of Exelon. Included with the mail service is a collaboration capability of document sharing through the use of Exchange Public Folders.
Local Area Network (LAN)	5.5	BSCIT120	LAN services include distributed systems account management, networked file / print capabilities and personal storage.
Personal Area Network (PAN)	5.2	BSCIT121	The PAN Service includes the components of the Network Computing environment from the wall plate jack to the end user computing devices. This service provides support for the Personal Computing environment including: desktop or laptop hardware, operating system, base and premium applications, total lifecycle tracking, and other devices supported including local printers and synchronization of Personal Digital Assistants (PDAs).
Application Hosting: Mainframe Services	5.4	BSCIT115	Operational support and maintenance of mainframe server environment.
Application Hosting: Midrange Server Intel	5.6	BSCIT116	This SLA provides 3 distinct levels of service for Intel servers connected to and managed within the Exelon environment with an option for "High Availability."
Limited WAN - EED SCADA	5.2	BSCIT123	Provides network connectivity and operational monitoring and support of Exelon Energy Delivery SCADA platform network infrastructure.
Voice Mail	5.2	BSCIT124	The ability to send, receive and exchange voice mail with other Exelon employees.
Dial Tone	5.2	BSCIT122	The ability to use telephones to make and receive calls
Wide Area Connectivity (WAN)	5.2	BSCIT125	Provides network connectivity, operational monitoring and support, engineering design, planning, enhancements and Internet access from the Exelon data network to Exelon Facilities
Database Services	5.5	BSCIT201	Deliver Database Services to support Infrastructure, application maintenance, project initiatives.

**Commonwealth Edison Company  
 Amounts Charged to Project ITSLACOM**

DLH 12.01\_Attach 2

FERC / ICC Account	2004		2005 Total	2006	
	Total	Jurisdictional		Total	Jurisdictional
Transmission -					
[560000] Oper supervision & engineering	502,848.76	-	949,515.09	916,451.22	-
[566000] Misc. transmission expenses				1,033,662.45	-
[568000] Main supervision & engineering	502,848.76	-	949,515.09	687,338.33	-
[569100] Maint of Computer Hardware				344,553.55	-
[569200] Maint of Computer Software				689,108.01	-
[569300] Maint of Communication Equip				344,553.55	-
Distribution -					
[580000] Oper supervision & engineering	2,179,012.72	2,179,012.72	4,114,567.34	2,291,128.62	2,291,128.62
[588000] Misc distribution expenses				3,445,543.25	3,445,543.25
[590000] Main supervision & engineering	3,687,560.49	3,687,560.49	6,963,114.47	5,040,483.24	5,040,483.24
[598000] Main of misc distrib plant				8,613,859.26	8,613,859.26
Customer -					
[903000] Customer records & collect exp	4,743,924.09	4,743,924.09	10,660,914.11	12,391,566.03	12,391,566.03
Administrative and General -					
[921000] Office supplies & expenses	6,878,502.35	6,135,624.10	35,077.54	282.86	251.18
[923000] Outside services employed			7,977,819.59	21,568,197.52	19,152,559.40
<b>Total</b>	<b>18,494,697.17</b>	<b>16,746,121.40</b>	<b>31,650,523.23</b>	<b>57,366,727.89</b>	<b>50,935,390.98</b>

**ICC Docket No. 07-0566**  
**Commonwealth Edison Company's Response to**  
**Staff's (DLH) Data Requests 10.01 – 10.06**  
**Dated: November 14, 2007**

**REQUEST NO. DLH 10.04:**

Referring to ComEd Ex. 7.3, page 1, column (H) and ComEd Ex. 7.0, page 49, line 959, regarding higher Information Technology ("IT") charges:

- a) Fully describe what services and projects are included in the IT charges. Provide documentation from BSC SLA's or other arrangements memorializing the charging of BSC IT costs to ComEd.
- b) Provide the rate(s) charged to ComEd for IT costs for the years 2004 through 2007, inclusive.
- c) Provide the most recent year to date amount charged to ComEd for BSC IT costs.
- d) Provide the amounts charged to ComEd for IT costs in 2004 and 2005.
- e) Fully describe all drivers of the increase in the cost of IT cost charges in the test year.
- f) Provide the amount charged to PECO, Exelon Generation, and all other affiliates (as a group) for IT costs from BSC in the years 2004-2007 to date, inclusive.

**RESPONSE:**

- a) Information Technology ("IT") provides the following types of services to its client companies:
  - Genco Solutions, Energy Delivery Solutions, Projects & Enterprise Solutions. Provides application support to the business units and centrally manages enterprise-wide applications and business unit specific projects.

***Cost Assignment:***

- Costs for information technology applications which are specific to one Client Company are directly charged to respective Client Company.
  - Costs for information technology applications which benefit all or more than one Client Company are allocated to the respective Client Companies based on an appropriate cost causative allocation methodology, which vary from project to project.
- Infrastructure and Operations. Manages the enterprise IT infrastructure, provides infrastructure services, and ensures a safe and stable operating environment.

***Cost Assignment:***

- Service costs are directly charged to Client Companies on a unit price basis for services such as mainframe, email, voicemail, LAN, WAN, etc.
- IT Governance. Comprises an IT Program Management Office and Business Office focused on establishing standard processes, procedures and methods; Enterprise Architecture and Planning responsible for comprehensive enterprise strategic planning and architecture standards and assurance; and Information Assurance (IT security) focused on policies and procedures as well as detection and assessment of intrusion incidents in the operating environment.

***Cost Assignment:***

- Service costs are allocated to Client Companies based on IT Infrastructure and Operations Service Billings ratio of each Client Company.

As additional information, provided as DLH 10.04\_Attach 01 is a listing of all SLAs under which ComEd may be charged for IT services. Also included is a representative sample from each of the categories above of SLAs for IT services. See DLH 10.04\_Attach 02 to DLH 10.04\_Attach 09 for these representative SLAs. Due to the sheer volume of SLAs, all SLAs for IT were not provided, but can be made available.

- b) Provided as DLH 10.04\_Attach 10 are the rates charged by EBSC IT for unit priced services for the years 2004 to 2007. In 2006 approximately 87% of the IT billings to ComEd were directly charged using these factors. The remainder of the IT costs billed to ComEd were allocated using a variety of factors including percentage of email accounts, percentage of LAN device counts and percentage of laptop counts.
- c) As of November 30, 2007 ComEd has been charged \$87,941,962 for IT Services by EBSC year to date.
- d) The total amounts charged to ComEd in 2004 and 2005 by EBSC for IT services were \$58,292,303 and \$65,685,849 respectively.
- e) ComEd Exhibit 8.2, "ComEd A&G Exelon Business Service Company Cost Assessment" prepared by Booz, Allen, Hamilton, Figure 4.3 page 25 shows total IT billings to ComEd increased by approximately \$32 million between 2004 and 2006. The majority of this increase is due to an additional \$18 million in project billings generally direct billed to affiliates, which request and derive benefit from a specific project. Because substantially all project costs are capitalized by the affiliates on whose behalf they are undertaken, the impact of project spend on ComEd expenses is through depreciation and amortization of project costs billed to ComEd. The \$18 million increase in project billings is due to three specific projects, offset by a decrease in projects in process in 2004 that were no longer active in 2006.

- **Post-2006 Project - \$11 million increase:** The Post-2006 project implemented changes to customer operations software that allowed ComEd to comply with new ICC rules related to the competitive market.
- **Passport 10 Upgrade - \$6 million increase:** The upgrade to this software was required as the previous version was no longer supported by the vendor and enabled ComEd to further standardize work management processes.
- **Mobile Data - \$4 million increase:** This project will provide the company with an integrated mobile workforce management system for field crews and back-office personnel that is aimed at reducing outage duration and making improvements in productivity and overall customer satisfaction.
- **Other Project-Related Changes - \$3 million decrease:** The \$3 million decrease in other project-related costs is the net turnover effect of miscellaneous projects that were in process in either 2004 or 2006, but not in both years.

The remaining non-project-related increase of \$14 million in EBSC IT billings to ComEd results primarily from a restructuring of the IT group to centralize employees within EBSC to improve operating efficiencies. In particular, many of the application maintenance resources and associated costs were transferred from ComEd into EBSC between 2004 and 2006. Consolidating these services provides IT with improved economies of scale and enables it to better control overall IT organization costs for the benefit of all affiliates. Approximately \$12 million of the \$14 million in non-project increases was charged to ComEd's A&G FERC accounts. The remaining \$2 million was charged to Customer, Distribution and Transmission FERC Accounts.

Note that the above amounts are the total amounts billed to ComEd and do not reflect the application of the jurisdictional allocation factor.

- f) ComEd objects to this request for information relating to other affiliated parties. This information is not relevant to ComEd's revenue requirement, is beyond the scope of discovery, and is not reasonably calculated to lead to the discovery of admissible evidence. However, provided is the total costs billed by BSC for IT Services for the years 2004 – 2007 to date.

<u>Year</u>	<u>Billed Costs</u>
2004	216,991,718
2005	251,244,527
2006	303,664,217
2007 <sup>1</sup>	262,694,954

Note 1: As of November 30, 2007