

**ICC Docket No. 07-0566**  
**Commonwealth Edison Company's Response to**  
**People of the State of Illinois' (AG)**  
**Data Requests AG (MLB) 6.01 – 6.33**  
**Dated: January 11, 2008**

**REQUEST NO. AG (MLB) 6.15:**

*Reference: ComEd Response to AG MLB 2.16, part a; Schedule D-7 (Adequacy of Financial Resources)*

According to the response, "On an annual basis, ComEd has finite financial resources in which to invest in its distribution system." Please provide the following information:

- a) Update Schedule D-7 with actual data through 2007.
- b) Provide projected data comparable to each line item of Schedule D-7, to the extent available, for each future calendar year 2008 through 2012.
- c) Describe and quantify the extent to which, in each of the years actual 2002 through 2007 on Schedule D-7 (after updating with 2007 data), the capital expenditures on lines 59 and 60 actually made in each year used all available "financial resources".
- d) Describe and quantify the extent to which, in each of the projected years actual 2008 through 2012, the capital expenditures expected to be made by ComEd will use all of the available "financial resources" that are projected to be available in each year.
- e) State all assumptions and provide supporting calculations for your responses to parts (c) and (d) of this data request.
- f) Explain and quantify how approval of the proposed Rider SMP projects and tariff will impact your response to part (d) of this data request.

**RESPONSE:**

This data request appears to misunderstand ComEd's response to data request AG MLB 2.16. ComEd's access to capital is limited in the first instance not by its ability to exhaust every possible source of capital without regard to the type, cost, terms, or consequences, but by ComEd's ability to acquire new capital consistent with prudent financial management. ComEd's credit metrics are weak and its financial condition under current rates is poor. Its ability to prudently access capital to invest in its distribution system is constrained by these conditions and is certainly finite, as ComEd stated.

- a) ComEd's 2007 FERC Form No. 1 has not yet been filed with FERC, and thus any December 31, 2007 balances are preliminary, subject to audit, and potentially subject to change. 2007 Schedule D-7 amounts have been provided using estimated information in response to part b) of this request and subject to the limitations stated in that answer.

- b) ComEd does not, as a part of its normal business operations, prepare a forecasted FERC form 1 as part of the planning, budgeting and forecasting process, therefore providing a forecast for the entire Schedule D-7 is not possible. Estimated Schedule D-7 amounts (where possible) for calendar years 2007-2012 have been provided in AG (MLB) 6.15\_Attach 1. The forecasted amounts provided assume currently filed Illinois-jurisdictional delivery rates are in effect beginning on 10/1/2008, at ComEd's requested amount, and remain in place through 12/31/2012. Moreover, this attachment reflects both a reporting form and certain entries appropriate to a FERC Form 1 and in some important respects will not match information prepared in a form that would be submitted to the ICC (e.g., with respect to ComEd's capital structure).
- c) It is not possible to answer hypothetically whether the capital expenditures used all available financial resources for 2002-2007, since there are numerous variables that determine the amount of available resources, such as the company's approved or targeted capital structure, targeted credit rating, market conditions for financing, regulatory environment, and general business conditions at a given point in time. Again, the referenced ComEd's response to data request AG MLB 2.16 focused not on exhausting "all available" capital resources regardless of type, cost, term, or consequence, but on the fact that capital available consistent with sound financial management is finite.
- d) Please see the response to subpart c). It is not possible to answer hypothetically whether future capital expenditures will use "all available" financial resources. The financial resources available to ComEd at future points in time cannot be exactly known and are dependent on market conditions, credit ratings, and target capitalization.

As noted above, the referenced ComEd's response to data request AG MLB 2.16 focused not on exhausting "all available" resources regardless of type, cost, term, or consequence, but on the limited capital available at the time consistent with sound financial management. ComEd typically funds its capital investments with a combination of internally generated cash and debt financing, in order to manage prudently its capitalization in line with target credit ratings and consistent with what is allowed by the Commission. In the forecast provided, the targeted capital structure was approximately 55% debt to total capital (excluding goodwill from equity), which is essentially equivalent to the capital structure in the currently filed DST case.

- e) n/a
- f) To the extent that Rider SMP is approved and capital is invested for system modernization projects, recovery of capital investments is simply permitted in a timely manner. Rider SMP would allow ComEd to make specific capital investments that might not otherwise be made at the levels and in the timeframes included in ComEd's base forecast, because of the financing decisions described above. Rider SMP provides some assurance that ComEd is investing in the kind of system that the Commission agrees is beneficial for customers and is worthy of timely recovery.

Commonwealth Edison Company

Comparative Financial Data  
(In Thousands)

Witness: R. K. McDonald

Line No.	Description (A)	Historical Years Source (B)	Estimated Calendar Years						Historical Calendar Years				
			2012 (C)	2011 (D)	2010 (E)	2009 (F)	2008 (G)	2007 (H)	2006 (I)	2005 (J)	2004 (K)	2003 (L)	2002 (M)
<b>Funds from Operations:</b>													
1	Net Income	FERC Form 1, P. 120	\$306,554	\$339,041	\$367,267	\$359,329	\$214,879	\$165,018	\$ (112,167)	\$ (684,773)	\$ 676,261	\$ 707,006	\$ 790,341
2	Depreciation and Amortization	FERC Form 1, P. 120	535,542	515,591	498,582	487,956	460,934	440,335	431,328	412,612	416,056 (d)	386,395	522,659
3	Impairment of Goodwill	FERC Form 1, P. 120	-	-	-	-	-	-	776,000	1,207,000	-	-	-
4	Deferred Income Taxes - Net	FERC Form 1, P. 120	19,127	17,746	14,372	516	(145,363)	(195,827)	104,808	227,836	154,427	16,147	129,684
5	Deferred Investment Tax Credits - Net	FERC Form 1, P. 120	(2,840)	(2,840)	(2,840)	(2,840)	(2,840)	(2,845)	(3,032)	(3,199)	(3,138)	(3,172)	(3,789)
6	(Less) AFUDC - Other Funds (Acct 419.1)	ICC Form 21, P. 7b Line 38	-	-	-	-	(184)	(2,657)	(2,977)	(5,203)	(2,575)	(8,747)	(9,953)
7	(Less) AFUDC - Borrowed Funds (Acct 432)	ICC Form 21, P. 7b Line 65	(5,692)	(4,916)	(4,713)	(3,831)	(11,206)	(13,256)	(8,783)	(2,216)	36	(5,273)	(8,204)
8	Total Funds from Operations (Sum Lines 1 to 5, less line 6)		\$ 852,690	\$ 864,623	\$ 872,668	\$ 841,130	\$ 516,219	\$ 390,769	\$ 1,185,177	\$ 1,152,057	\$ 1,241,067	\$ 1,092,356	\$ 1,420,738
<b>Capital Structure:</b>													
9	Short-term Debt (Accts 231 and 233)	ICC Form 21, P. 4 Lines 34, 36	102,622	103,246	120,692	270,929	142,515	370,000	59,991	598,770	-	-	71,000
10	Long-term Debt (Accts 221-226)	ICC Form 21, P. 4 Line 23	6,042,647	5,740,458	5,514,736	5,288,144	5,186,950	4,780,660	4,588,197	4,176,170	4,874,806	6,439,696	6,354,208
11	Preferred and Preference Stock (Acct 204)	ICC Form 21, P. 4 Line 3	-	-	-	-	-	-	-	-	-	-	-
<b>Common Equity</b>													
12	Common Stock (Acct 201)	ICC Form 21, P. 4	1,587,706	1,587,706	1,587,706	1,587,706	1,587,706	1,587,706	1,587,706	1,587,706	1,587,706	1,587,706	1,587,705
13	Premium on Capital Stock (Acct 207)	ICC Form 21, P. 4 Line 6	4,940,161	4,940,161	4,940,161	4,940,161	4,940,161	4,974,283	4,912,717	4,896,247	4,049,063	3,871,450	3,629,973
14	Other Paid in Capital (Accts 208-211)	ICC Form 21, P. 4 Line 7	935	935	935	935	935	935	935	938	941	942	945
15	(Less) Capital Stock Expense (Acct 214)	ICC Form 21, P. 4 Line 10	(6,943)	(6,943)	(6,943)	(6,943)	(6,943)	(6,943)	(6,943)	(6,943)	(6,943)	(6,943)	(6,943)
16	Retained Earnings (Accts 215-216.1)	ICC Form 21, P. 4 Lines 11-12	999,329	792,775	603,734	386,467	177,139	(28,805)	(193,013)	(80,846)	1,101,972	883,411	577,505
17	Accumulated Other Comprehensive Income (Acct 219)	ICC Form 21, P. 4 Line 14	1,917	1,917	1,917	1,917	1,917	1,270	(3,288)	(1,099)	(1,754)	(2,947)	(37,723)
18	Reacquired Capital Stock	ICC Form 21, P. 4 Line 13	-	-	-	-	-	-	-	-	-	-	-
19	Total Common Equity	Lines 15+16+17+18+19+20+21	7,523,105	7,316,551	7,127,510	6,910,244	6,700,915	6,528,447	6,298,114	6,396,003	6,730,985	6,333,619	5,751,462
20	Total Capital (including short-term debt)	Lines 11+12+22	\$ 13,668,374	\$ 13,160,256	\$ 12,762,938	\$ 12,469,317	\$ 12,030,380	\$ 11,679,107	\$ 10,946,302	\$ 11,170,943	\$ 11,605,791	\$ 12,773,315	\$ 12,176,670
<b>Capital Structure Ratios:</b>													
21	Short-term Debt Ratio	Line 11 / Line 23	0.8%	0.8%	0.9%	2.2%	1.2%	3.2%	0.5%	5.4%	0.0%	0.0%	0.6%
22	Long-term Debt Ratio	Line 12 / Line 23	44.2%	43.6%	43.2%	42.4%	43.1%	40.9%	41.9%	37.4%	42.0%	50.4%	52.2%
23	Preferred Stock Ratio	Line 13 / Line 23	-	-	-	-	-	-	-	-	-	-	-
24	Common Equity Ratio	Line 22 / Line 23	55.0%	55.6%	55.8%	55.4%	55.7%	55.9%	57.5%	57.3%	58.0%	49.6%	47.2%
<b>Cost of Capital:</b>													
25	Embedded Cost of Long-term Debt	From WPD-7, Page 1							6.74%	6.01%	6.21%	6.54%	6.69%
26	Embedded cost of Preferred Stock	Line 57 / Line 13							-	-	-	-	-
<b>Earnings Ratios:</b>													
27	Earnings Available for Common Equity ("EACE")	Line 2 - Line 45	306,554	339,041	367,267	359,329	214,879	165,018	(112,167)	(684,773)	676,261	707,006	790,341
28	AFUDC as a percentage of EACE	Line 7 + Line 8 / Line 33							NM	NM	0.4%	2.0%	2.3%
29	Estimated Net Utility Rate Base	From WPD-7, Page 2							7,731,857	7,413,708	6,655,532	6,256,958	5,998,397
30	Estimated Return on Rate Base	(a)							(a)	(a)	(a)	(a)	(a)
31	Return on Average Common Equity (Net Income / Avg Common Equity)	Annual ICC Filing (b)	4.1%	4.7%	5.2%	5.3%	3.2%	2.0%	7.8% (b)	8.8% (b)	10.4% (b)	11.7% (b)	14.6% (b)

**Commonwealth Edison Company**

Comparative Financial Data  
(In Thousands)

Witness: R. K. McDonald

Line No.	Description (A)	Source (B)	Historical Calendar Years												
			2012 (C)	2011 (D)	2010 (E)	2009 (F)	2008 (G)	2007 (H)	2006 (I)	2005 (J)	2004 (K)	2003 (L)	2002 (M)		
38	<u>Fixed Charge Coverage:</u>														
39	Total Operating Income	ICC Form 21, P. 7 Line 26									940,097	833,925	1,110,977 (d)	1,120,664	1,242,710
40	Other Income	ICC Form 21, P. 7b Line 41									4,444	14,496	23,672	36,090	40,792
41	Federal and State Income Taxes														
42	Income Taxes - Electric	ICC Form 21, P. 7 Line 15-19									420,359	376,693	515,305	465,917	529,254
43	AFUDC Equity Funds Portion (Acct 419.1)	ICC Form 21, P. 7b Line 38	-	-	-	-	184	2,657	2,977	5,203	2,575	8,747	9,953		
44	Total Interest Charges	ICC Form 21, P. 7b Line 66	470,168	443,632	421,053	409,192	391,433	317,407	308,472	294,385	362,635 (d)	433,042	484,091		
45	Preferred Dividends	FERC Form 1, P. 121 Line 80	0	0	0	0	0	0	0	-	-	-	-	-	-
46	Pre-tax Interest Coverage (Excluding AFUDC)	Line (39+40+42-43)/44	-	-	-	-	(0.00)	(0.01)	4.42	4.14	4.54	3.73	3.72		
47	After-tax Fixed Charge Coverage	Line (39+40)/(44+45)	-	-	-	-	-	-	3.06	2.88	3.13	2.67	2.65		
48	<u>Cash Flow Ratios:</u>														
49	Funds from Operations	Line 9	\$ 852,690	\$ 864,623	\$ 872,668	\$ 841,130	\$ 516,219	\$ 390,769	\$ 1,185,177	\$ 1,152,057	\$ 1,241,067	\$ 1,092,356	\$ 1,420,738		
50	Cash Interest Paid	FERC Form 1, Suppl. C.F. Info.							249,000	272,000	357,000	379,000	448,000		
51	Total Interest Incurred	Line 44	470,168	443,632	421,053	409,192	391,433	317,407	308,472	294,385	362,635	433,042	484,091		
52	Funds Flow Interest Coverage	(Lines 49+50) / Line 51	1.81	1.95	2.07	2.06	1.32	1.23	4.65	4.84	4.41	3.40	3.86		
53	Average Short-term Debt	Line 11 (Average)	102,934	111,969	195,811	206,722	256,258	214,996	329,381	299,385	-	35,500	35,500		
54	Average Long-term Debt	Line 12 (Average)	5,891,553	5,627,597	5,401,440	5,237,547	4,983,805	4,684,429	4,382,184	4,525,488	5,657,251	6,396,952	6,739,181		
55	Funds Flow as % of Ave. Total Debt	Line 49/(Line 53+54)	14.2%	15.1%	15.6%	15.4%	9.9%	8.0%	25.2%	23.9%	21.9%	17.0%	21.0%		
56	Common Dividends	FERC Form 1, P. 121 Line 81	100,000	150,000	150,000	150,000	-	-	-	498,044	457,700	401,100	470,000		
57	Preferred Dividends	FERC Form 1, P. 121 Line 80	0	0	0	0	0	0	0	-	-	-	-		
58	Cash Coverage of Common Dividends	(Line 49-57) / Line 56	8.53	5.76	5.82	5.61	NM	NM	NM	2.31	2.71	2.72	3.02		
59	Gross Construction Expenditures	FERC Form 1, P. 120 Line 26	1,157,788	1,031,263	1,035,944	978,120	1,002,517	1,046,042	910,973	775,502	719,472	712,040	778,671		
60	Gross Construction Expenditures (Excluding AFUDC)	Line 59 - Line 7 - Line 8	1,152,096	1,026,347	1,031,232	974,290	991,126	1,029,861	899,213	768,083	716,933	698,020	760,514		
61	Net Cash Flow as % of Construction Exp.	(Line 49-56-57) / Line 60	65.3%	69.6%	70.1%	70.9%	52.1%	37.9%	131.8%	85.1%	109.3%	99.0%	125.0%		
62	<u>Common Stock Related Data:</u>														
63	Shares Outstanding - Year End (000)	FERC Form 1, P. 251 Line 3	(c)	(c)	(c)	(c)	(c)	(c)	127,017	127,017	127,017	127,016	127,016		
64	Shares Outstanding - Monthly Weighted Average (000)		(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)		
65	Earnings Per Share - Weighted Average		(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)		
66	Dividends Per Share - Weighted Average		(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)		
67	Dividends Declared Per Share		(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)		
68	Dividend Payout Ratio (Declared Basis)		(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)	(c)		

Notes:

- (a) Return on rate base is not meaningful because operating revenues from bundled rates for each year include a production component and ComEd no longer owns production assets.
  - (b) As reported in the annual filing to the ICC under Section 16-111(e)(2). The values shown here are not comparable to the return on common equity determined in the ratemaking process.
  - (c) Data is not meaningful as Exelon Corporation owns 99.9% of ComEd's outstanding common stock.
  - (d) Reflects reclassification of prior year data for consistent presentation.
- \*NM = Not meaningful.