

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

**COMMONWEALTH EDISON COMPANY §
 §
Proposed general increase in electric rates. § DOCKET NO. 07-0566**

**REBUTTAL TESTIMONY OF
DENNIS ANOSIKE
ON BEHALF OF
THE CHICAGO TRANSIT AUTHORITY**

CTA EXHIBIT 3.0

8 APRIL 2008

**REBUTTAL TESTIMONY OF
DENNIS ANOSIKE
ON BEHALF OF THE CHICAGO TRANSIT AUTHORITY**

1 **Q. PLEASE STATE YOUR NAME.**

2 A. My name is Dennis Anosike.

3 **Q. ARE YOU THE SAME DENNIS ANOSIKE WHO HAS FILED DIRECT**
4 **TESTIMONY IN THIS DOCKET?**

5 A. Yes, I am.

6 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

7 A. The purpose of my testimony is to address issues raised in the rebuttal testimony of
8 ComEd witnesses Terence Donnelly, ComEd Ex. 21.0 and Lawrence S. Alongi and
9 Chantal J. Jones, ComEd Ex. 32.0 AND Paul Crumrine, ComEd Ex. 30.0.

10 **Q. WILL YOU PLEASE SUMMARIZE YOUR TESTIMONY?**

11 A. My testimony addresses the following issues:

12 1. The Railroad Class is not presently being subsidized by any other rate class. The
13 CTA's proposal in this docket is to have its rates set at the proper level taking into
14 account the fact that the ComEd cost of service is flawed and the public policy
15 statements by the Illinois Commerce Commission in Docket No. 05-0597
16 regarding public mass transportation providers.

17 2. The CTA provides a valuable benefit to ComEd's customers by allowing ComEd
18 to place many miles of lines that serve other customers on CTA facilities.

- 19 3. The CTA continues to disagree with ComEd's assertion that it can pick and
20 choose which portions of the 1958 contract are valid and which ones ComEd can
21 unilaterally abrogate.
- 22 4. The CTA's proposal to limit the increase to the Railroad Class to the system
23 average or the increase to the residential class is reasonable in light of the flaws in
24 ComEd's proposed rates.
- 25 5. ComEd's proposed "mitigation" of its 62 per cent rate increase for the Railroad
26 Class is unacceptable.
- 27 6. ComEd's statement that Docket No. 05-0597 changed how construction costs are
28 to be allocated is incorrect and contrary to the final order in that case.

29 In addition to my testimony, the CTA is offering the following rebuttal witnesses:

- 30 • Glenn Zika testifies concerning the electrical operation of the CTA system as it
31 relates to ComEd.
- 32 • James Bachman testifies concerning ComEd's cost of service study and Riders
33 SMP and SEA.

34 **Q. TURNING FIRST TO THE TESTIMONY OF TERENCE DONNELLY, COMED**
35 **EX. 21.0 AT PAGE 107, DO YOU AGREE WITH HIS STATEMENT THAT THE**
36 **CTA IS REQUESTING A RATE DECREASE AND THAT OTHER CUSTOMERS**
37 **SHOULD BEAR CTA'S COSTS?**

38 A. Mr. Donnelly is incorrect. The CTA is not asking that other customers bear CTA's costs.
39 Instead, the CTA seeks to have ComEd follow (i) the Illinois Commerce Commission's
40 directive in Docket No. 05-0597 that the CTA's rates reflect as closely as possible the
41 contract provisions in the 1958 CTA-ComEd agreement and (ii) the Commission's

42 recognition in Docket No. 05-0597 of the overriding benefits that the CTA is providing
43 as a provider of public mass transportation. These benefits are especially important today
44 as the nation works through an economic downturn and gasoline prices continue to
45 increase. Public mass transportation is a cost-effective alternative to people who must
46 travel to work. Public transportation also helps in reducing emissions that contribute to
47 the greenhouse effect. In ComEd's last rate case this Commission correctly recognized
48 these societal benefits that the Railroad Class provides in this regard when it stated in the
49 final order at 189:

50 Also, the fact that the CTA and Metra are providers of mass public
51 transportation raises an additional public interest concern. ComEd's
52 proposal fails to account for the potential impact of increased utility rates
53 for entities providing public transportation on the citizens of Illinois. The
54 Commission is very concerned that any changes to the provisions of
55 service providers of mass transit will not unduly burden the millions of
56 passengers who depend on public transportation. . . the Commission
57 believes that important public policy considerations cannot be ignored.

58 I included some of the studies showing these benefits in my direct testimony. In addition,
59 the statement by Mr. Donnelly ignores the real benefits that the CTA provides to ComEd
60 from an operational viewpoint. These benefits are discussed in the direct and rebuttal
61 testimony of CTA witness Glenn Zika. The benefits include providing ComEd with flow
62 through feeds utilizing the CTA traction power substations. As I understand it, this
63 means simply that the CTA is providing a means for ComEd to serve other customers by

64 ComEd's use of CTA facilities to flow power through the CTA traction power
65 substations.

66 In addition, the CTA provides to ComEd (currently without cost to ComEd)
67 extensive use of the CTA rights of way not only for directly hanging ComEd distribution
68 cables and wires on CTA facilities but also for placing poles above ground and conduit
69 and ducts below ground. The ability of ComEd to use CTA facilities was carefully
70 negotiated in the still existing and valid 1958 Contract, CTA Ex. 1.01. ComEd continues
71 to ignore the 1958 Contract provisions and to attempt to make unilateral changes to the
72 contract to the CTA's detriment. Finally, CTA/Metra witness James Bachman points out
73 that ComEd's cost of service study as it relates to the Railroad Class has serious
74 questions and should not be used to set rates for the Railroad Class in this Docket.

75 **Q. MR. DONNELLY AT PAGE 113 OF EX. 21.0 APPEARS TO AGREE WITH YOU**
76 **THAT COMED HAS FACILITIES ON CTA PROPERTY. IS HE CORRECT IN**
77 **HIS CONCLUSION THAT THE USE OF CTA FACILITIES SHOULD BE**
78 **PROVIDED FREE TO COMED?**

79 A. Absolutely not. Mr. Donnelly states that ComEd only co-locates on property where it is
80 authorized to do so. Mr. Donnelly admits that this co-location may involve easements or
81 other agreements. He further states that payment for use of the property of others is
82 "established as part of that process" of negotiation between ComEd and the property
83 owner. What Mr. Donnelly conveniently ignores is that the use of CTA property by
84 ComEd is governed by the 1958 contract between the CTA and ComEd, CTA Ex. 1.01.
85 This agreement specifically describes the relationship between the CTA and ComEd,
86 including the granting by the CTA to ComEd to use CTA property. The CTA is not

87 asking that ComEd give the CTA, as Mr. Donnelly states, “an additional ‘after the fact’
88 decrease in their delivery rates because ComEd it has [sic] exercises a right to co-locate
89 on a customer’s property.” Rather, the CTA only seeks to enforce the 1958 contract that
90 was carefully drafted so that each party receives the adequate compensation for use of
91 each other’s facilities that is provided in the various portions of the 1958 contract. In
92 other words, ComEd, by repudiating material aspects of the 1958 Contract, now seeks to
93 use the CTA’s property without adequate compensation that was carefully spelled out in
94 the 1958 Contract.

95 I should point out that at one time many of then-exisitng CTA traction power
96 substations were owned and operated by ComEd as part of its distribution network. This
97 may help to explain why the traction power substations have power flow through them to
98 serve other ComEd customers. Over the past half century, the operation of the traction
99 power substations has been taken over by the CTA. New traction power substations have
100 been built by the CTA. This is why the 1958 agreement discusses ComEd traction power
101 substations, jointly owned substations and CTA substations.

102 **Q. DO YOU HAVE ANY COMMENTS CONCERNING MR. DONNELLY’S THAT**
103 **COMED DOES NOT AND NEVER HAS GIVEN CUSTOMERS AN**
104 **ADDITIONAL “AFTER THE FACT” DECREASE IN THEIR DELIVERY**
105 **RATES BECAUSE COMED HAS CO-LOCATED ON A CUSTOMERS’**
106 **PROPERTY?**

107 **A.** I find Mr. Donnelly’s use of the term “after the fact” decrease curious. First, this is not
108 what the CTA is seeking. The CTA and ComEd carefully negotiated their rights
109 concerning the use of the rights of way as part of an overall agreement concerning the

110 relationship between the CTA and ComEd. Thus, it is not an “after the fact” decrease
111 that the CTA is seeking but rather an enforcement of the contract provisions. Second,
112 Mr. Donnelly does not address the fact that ComEd has franchise agreements with many
113 municipalities in which it provides service. Some of those franchise agreements include
114 provisions whereby the cities and towns receive “free” electricity for certain municipal
115 buildings and functions in return for the cities and towns allowing ComEd to use the
116 public streets and rights of way for delivering electricity to their residents. Where there is
117 not a current franchise, the Illinois Legislature allows a municipality to impose an
118 electricity infrastructure maintenance fee “as compensation for granting electricity
119 deliverers the privilege of using public rights of way” to deliver electricity. 35 ILCS
120 645/5. I note that while the CTA is a municipal corporation, it is not a “municipality”
121 and does not fall under the infrastructure maintenance fee law.

122 **Q. MR. DONNELLY STATES AT PAGE 113 THAT “THERE HAS BEEN NO**
123 **CHANGE IN THE FACTS OR CIRCUMSTANCES OF COMED’S USE OF**
124 **CTA’S PROPERTY” TO SUPPORT “REVISING THE AGREEMENT?” DO**
125 **YOU AGREE WITH THIS STATEMENT?**

126 **A.** I find this statement to be disingenuous. On the one hand, ComEd states that there has
127 been no change in facts or circumstances to change the CTA-ComEd 1958 contract but
128 then on the other hand ComEd insisted in Docket No. 05-0597 and continues to insist
129 today that it has the unilateral right to change the contract terms and encouraged this
130 Commission to rewrite the agreement in violation of state and federal constitutional
131 provisions. If ComEd truly believed this statement, then it would be honoring the 1958
132 contract that recognizes the contribution by the CTA to ComEd’s operations and would

133 not be unilaterally changing material terms and conditions of the agreement. In fact, in
134 2004 ComEd's vice president of regulatory and strategic services sent me a letter
135 confirming that if the CTA obtained power elsewhere, only certain rate provisions of the
136 1958 Contract would no longer be valid (i.e., those provisions that relate to the obligation
137 to provide and to take power generation), but all other provisions would "remain in full
138 force and effect, without modification or suspension." I have attached a copy of the letter
139 as Exhibit 3.01 to this testimony.

140 **Q. MR. DONNELLY STATES AT PAGE 114 THAT COMED ROUTINELY**
141 **REQUIRES EASEMENTS TO SERVE OTHER CUSTOMERS AND COMPARES**
142 **THAT TO ITS LOCATING WIRES ON CTA PROPERTY. DO YOU AGREE**
143 **WITH HIS COMPARISON?**

144 A. No. First, let me say that I do not know what ComEd's routine practices may be.
145 However, there is a considerable difference between extending a service line to a house
146 or business from a pole located in a street or alley and ComEd's practice of hanging
147 many miles of cables and wires on the CTA's elevated track structures and installing
148 poles, conduit and ductwork within and under the CTA's rights of way. The CTA has
149 allowed this practice in the past because of the various quid pro quo provisions in the
150 1958 Contract. The 1958 Contract in Article 15 underscores this point. In Article 15.04,
151 it grants to ComEd the right to locate certain facilities to supply electricity to CTA
152 traction power substations. This is similar to the "service drop" to a residential or
153 business customer. In Section 15.02, ComEd can located facilities on CTA facilities
154 provided they do not interfere with the use of the facilities by the CTA. These individual
155 easements are subject to the consent of the CTA and this is not a blanket right. I find it

156 hard to believe that ComEd places no value on its right to use CTA facilities in this
157 manner. Mr. Donnelly's statement that ComEd has the right to use the CTA's property
158 because it is "public land" is contrary to the requirement for ComEd to obtain permission
159 to use CTA facilities for that purpose.

160 **Q. MR. DONNELLY STATES THAT "ENCOURAGING APPROPRIATE CO-**
161 **LOCATION IS BOTH A POLICY OF THE STATE AND THE COMMISSION."**
162 **IN YOUR OPINION, IS COMED'S POSITION IN THIS CASE CONSISTENT**
163 **WITH ENCOURAGING CO-LOCATION?**

164 A. I have no direct knowledge of what the state or the Commission may encourage regarding
165 co-location. Accepting Mr. Donnelly's representation as true, ComEd's position in this
166 regard does not encourage co-location but rather discourages co-location. ComEd's
167 position appears to be that regardless of the written agreements between parties regarding
168 the use of a party's property, ComEd can rewrite the agreement at any time without
169 consulting or seeking the approval of the other party so as to avoid ComEd's
170 commitments. Any policy that encourages abrogation of written contracts does not
171 encourage a party to agree to any co-location.

172 **Q. TURNING TO COMED EX. 32.0, THE REBUTTAL TESTIMONY OF MR.**
173 **ALONGI AND MS. JONES, DO YOU AGREE THAT COMED CAN CHANGE**
174 **THE WORDING OF THE CONTRACT BETWEEN THE CTA AND COMED AS**
175 **IT PLEASES?**

176 A. No. The CTA continues to assert that it is unlawful and improper for the ComEd through
177 this Commission to abrogate material terms and conditions of the contract. As I noted
178 above, the contract contains numerous provisions that are not subject to this

179 Commission's jurisdiction. The non-rate provisions are set out in Ex. 3.01 authored by
180 ComEd itself and are listed as Articles 1, 3, 4, 5, 6, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19,
181 20, 21, 22, 23, 24 and 26. CTA Ex. 3.01 at Page 2.

182 **Q. DO YOU AGREE WITH MR. ALONGI AND MS. JONES THAT COMED'S**
183 **PAST PRACTICE "FOR NEARLY A HALF CENTURY" HAS BEEN TO**
184 **UNILATERLLY FILE CONTRACT CHANGES WITH THE ICC (COMED EX.**
185 **32.0 AT PAGE 44)?**

186 **A.** Since the inception of the 1958 contract, ComEd and the CTA have entered into
187 numerous advices. As I stated earlier, in the past many of the CTA traction power
188 substations were owned and operated by ComEd. Over time, the ownership and
189 operations of the traction power substations have been transferred to the CTA. For each
190 of these transactions and for other matters, the parties executed an "Advice" signed by
191 both the CTA and ComEd. Thus, the normal practice between the parties was to
192 negotiate and to sign an advice before any change in understanding under the Contract. I
193 have included with this testimony the CTA's log of the advices along with some samples
194 of the various advises signed by both parties as CTA Ex. 3.02. For example, the 1998,
195 CTA Ex. 1.02, was negotiated and signed by both parties. The 1998 amendment never
196 was submitted to the Commission by ComEd for approval. When the CTA was
197 exploring obtaining power from a third party as a result of the settlement in an earlier
198 ICC docket, the CTA obtained a letter from ComEd outlining what provisions of the
199 1958 agreement would remain in effect. CTA Ex. 3.01. As a result, the actual practice
200 between the parties is to negotiate an agreement that is executed by both parties before
201 altering any provision of the 1958 contract.

202 Q. DO YOU AGREE WITH THE STATEMENT BY MR. ALONGI AND MS. JONES
203 ON PAGE 44 OF COMED EX. 32.0 THAT BECAUSE THE CTA AFTER
204 DOCKET NO. 05-0597 PURCHASED POWER FROM A THIRD PARTY THAT
205 THE CTA IS IN BREACH OF THE CONTRACT BETWEEN THE CTA AND
206 COMED?

207 A. No. As CTA Ex. 3.01 and 3.02 indicate, the parties in the past have attempted to
208 negotiate the 1958 Contract to account for changes that need to be made. For whatever
209 reasons, ComEd in Docket No. 05-0597 and this docket are now taking the position that
210 it can modify or eliminate any provision of the document with no negotiation. The CTA
211 believes this is factually and legally wrong.

212 Q. DO YOU AGREE WITH MR. ALONGI AND MS. JONES STATEMENT ON
213 PAGE 49 OF COMED EX. 32.0 THAT THE CTA CONTRACT WITH COMED
214 ALLOWS EITHER PARTY TO USE THE PROPERTY OF THE OTHER AS
215 LONG AS THERE IS CONSENT?

216 A. I agree that Article 15 details how each party may obtain permission to use the property
217 of the other party. However, I disagree with Mr. Alongi and Ms. Jones statement that
218 consent cannot be “unreasonably withheld.” This statement does not appear in the
219 contract and is contrary to the provision in Section 15.02 that “such right to any specified
220 location shall be subject to cancellation upon one year’s notice by CTA.” Mr. Alongi and
221 Ms. Jones state that Article 15 was not affected by Docket No. 05-0597, which again
222 demonstrates ComEd’s attempt to “cherry-pick” which provisions of the contract it wants
223 in place and which provisions it unilaterally repudiates.

224 **Q. MR. ALONGI AND MS. JONES AT PAGE 9 OF COMED EX. 32.0 CRITICIZE**
225 **THE CTA FOR REQUESTING THAT ANY INCREASE FOR THE RAILROAD**
226 **CLASS BE NO LARGER THAN THE AVERAGE INCREASE FOR**
227 **RESIDENTIAL CUSTOMERS OR FOR THE SYSTEM AS A WHOLE**
228 **ARGUING THAT IT ONLY INCREASES THE “SUBSIDY” TO THE**
229 **RAILROAD CLASS. DO YOU AGREE WITH THEIR ASSESSMENT?**

230 **A.** No. The CTA only is seeking a Railroad Class rate that is fair and equitable taking into
231 account the contract that the CTA (and Metra) has with ComEd that contains provisions
232 regarding how certain costs are to be allocated, the public policy goals concerning mass
233 transit articulated by the Commission in Docket No. 05-0597 and the fact that ComEd
234 has not presented a valid cost of service study for the class, as detailed in the testimony of
235 James Bachman.

236 The purpose for requesting that the increase to the CTA be limited by the system
237 average increase or the increase to the residential class is based on the fact that as Mr.
238 Bachman testifies, the current cost of service study has serious questions and is not a
239 reliable indicator of how costs are incurred by ComEd to service the Railroad Class. The
240 proposed rate by ComEd also fails to take into account the other benefits, including
241 through flows and extensive use of CTA property by ComEd that the CTA provides to
242 ComEd that is unique to the Railroad Class.

243

244 **Q. MR. ALONGI AND MS. JONES AT PAGE 9 OF COMED EX. 32.0 PROPOSE**
245 **DECREASING THE RAILROAD CLASS INCREASE BY 50 PER CENT AS A**
246 **“MITIGATION” OF THE RATE INCREASE. IS THIS PROPOSAL ACCEPTABLE TO**
247 **THE CTA?**

248 A. No. ComEd’s initial proposed rate increase to the Railroad Class of 124.4 per cent is
249 unreasonable and, as CTA/Metra witness Mr. Bachman points out, is not based on a
250 proper cost of service study. Offering a “mitigation” plan for a rate that is not cost-
251 justified is without merit. Unilaterally offering to reduce an unjustified rate increase by
252 50 per cent does not make the improper rate increase proper. ComEd in its initial
253 testimony said the almost 125 per cent rate increase was too high and that it would work
254 with customers to mitigate. ComEd has not met with the CTA or asked for the CTA’s
255 suggestions as to what a proper rate should be. This self-serving proposal by ComEd
256 should be recognized for what it is and be rejected by the Commission. Because ComEd
257 has not justified its proposal, the proposal by the CTA that its increase be no higher than
258 the system average increase should be approved.

259 **Q. MR. ALONGI AND MS. JONES AT PAGE 46 OF COMED EX. 32.0 STATE**
260 **THAT THE COMMISSION HAS NOT GIVEN COMED PERMISSION TO TALK**
261 **TO THE CTA TO RENEGOTIATE THE 1958 AGREEMENT. DO YOU**
262 **AGREE?**

263 A. I do not agree that ComEd must petition the Commission to open a dialogue with its own
264 customers. Moreover, I believe that the Commission in Docket No. 05-0597 gave
265 “permission” to ComEd to negotiate the CTA-ComEd agreement. In the Docket 05-
266 0597, the Commission specifically stated when it reviewed the 1958 CTA-ComEd

267 contract: “[T]he Commission would have expected ComEd to negotiate a new contract
268 for the delivery of power and energy with the CTA and present it to the Commission for
269 approval.” Final Order at 188. For whatever reason, ComEd has chosen not to follow
270 the Commission’s recommendation.

271 **Q. DO YOU AGREE WITH MR. ALONGI AND MS. JONES STATEMENT AT**
272 **PAGE 49 OF COMED EX. 32.0 THAT THE COST RESPONSIBILITY OF EACH**
273 **NEW CTA TRACTION POWER SUBSTATION IS TO BE EVALUATED**
274 **WHETHER THE STANDARD SERVICE “FOR THE ENTIRE TRACTION**
275 **POWER SYSTEM LOAD” NEEDS TO CHANGE?**

276 A. No. The Commission in its Order on Rehearing in Docket No. 05-0597 at page 71 when
277 it approved Rider NS that “Nothing in this conclusion shall impact the terms and
278 conditions of existing contracts between ComEd and individual customers.” Since the
279 CTA-ComEd contract provides that ComEd will pay the cost of the first line to each CTA
280 traction power substation, by the Commission’s order in Docket No. 05-0597, ComEd
281 cannot rightfully charge the CTA any costs contrary to the contract provision.

282 **Q. MR. CRUMRINE (COMED EX. 30.0 AT PAGE 51) STATES THAT COMED**
283 **CANNOT BE PUT IN A POSITON OF PICKING WORTHY CAUSES AND**
284 **CANNOT JUDGE THE PUBLIC INTEREST VALUE OF PUBLIC TRANSPORT.**
285 **DO YOU AGREE?**

286 A. I believe that ComEd should not be allowed to ignore the Commission’s previous
287 judgment concerning the public interest as it pertains to mass public transportation as it
288 was articulated in Docket No. 05-0597. Mr. Crumrine by his comments seeks to
289 undermine the policy that this Commission has adopted and is, in effect, trying to dictate

290 public policy in his testimony. The Commission has found that mass public
291 transportation is a public interest and that any changes in rates to the CTA and Metra
292 must not “unduly burden the millions of passengers who depend on public
293 transportation.” The Commission further has found that as part of the public interest, the
294 “Commission must consider the potential adverse impact of utility rate increases on
295 entities that provide public transportation.” Mr. Crumrine’s testimony does not discuss or
296 analyze the effect that a 125 per cent rate increase will have on the CTA nor does he
297 discuss why the Commission’s public policy findings in Docket No. 05-0597 should be
298 ignored in this docket.

299 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

300 **A.** Yes, it does.



An Exelon Company

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July 7, 2004

Dennis O. Anosike
Senior Vice President Finance/Treasurer
Chicago Transit Authority
Merchandise Mart Plaza, Room 722
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Chicago, IL 60654

RE: Interpretation of March 2003 Agreement

Dear Mr. Anosike:

This letter is in response to your request for clarification of the meaning of the ComEd settlement provisions that apply to the CTA. The provision at issue is Section 11 "CTA Rate Issues" of the "Agreement Regarding Various Matters Involving or Affecting Rates for Electric Service Offered by Commonwealth Edison Company" dated March 3, 2003 (the "March 2003 Agreement"), as it applies to the Electric Service Agreement between CTA and ComEd dated August 1, 1958, as amended from time to time, including, without limitation, the amendment dated February 13, 1998. (The 1958 Electric Service Agreement, together with all amendments, are collectively referred to for purposes of this letter as the "Agreement.") Section 11 of the March 2003 Agreement provides as follows:

CTA can leave its current service contract to take service under the PPO or from an ARES and, after giving notice as required by Rider PPO, Rate RCDS, or such other rate as is applicable, come back to its current service contract. ComEd confirms that it interprets Rate RCDS to include the non-rate provisions contained in the CTA's current service contract.

From this language, we understand the following interpretation of the March 2003 Agreement in conjunction with the Agreement:

- 1. If CTA elects to "leave" pursuant to the March 2003 Agreement, the Agreement will not terminate.**

The March 2003 Agreement provides that CTA may "leave" and then "come back to its current service contract." The intent of the March 2003 Agreement was to allow the CTA to buy

power and energy from another supplier (or from ComEd under an available rate), and temporarily suspend related provisions, but keep in full force and effect all other provisions of the Agreement.

Thus, if CTA elects to "leave its current service contract" under the terms of the March 2003 Agreement and purchase power under an available ComEd rate or from another supplier, this event will not trigger a termination under Article 25 of the Agreement requiring one year's notice nor will it constitute a breach of the Agreement, and will therefore not trigger any claim or demand for termination payments from CTA. The language "CTA can leave its current service contract" means only that the CTA may temporarily suspend the applicability of the sections of the Agreement regarding the obligation to supply and purchase electric energy.

2. Only certain provisions of the Agreement will not apply from the time CTA "leaves" until the time that CTA "comes back to" the Agreement.

The purpose of the March 2003 Agreement is to allow CTA to purchase electric energy from another supplier or from ComEd under an available rate. The Agreement includes provisions that relate to other obligations of the parties separate and apart from the purchase of electric energy. As a result, only those specific provisions that relate to the purchase of electric energy will be suspended during the time that CTA elects to "leave." Therefore, from the time that CTA elects to "leave" until the time that CTA "comes back to" the Agreement, CTA may purchase electric power from another supplier or from ComEd under an available rate, and such purchase will not constitute a breach of the Agreement.

The CTA's obligation to take and pay for all electric traction power from ComEd under Sections 2.01 and 2.02 will be suspended during the time that CTA "leaves." ComEd's obligations under Sections 2.01 and 2.02 of the Agreement regarding standing ready to supply and supplying all CTA electric energy will not apply during the time that CTA "leaves." However, the obligation of ComEd to maintain adequate electric distribution Supply Facilities pursuant to Articles 2 and 3 shall continue in effect. CTA's obligation not to transmit or resell electricity as provided in Article 2.02 as well as the provisions of Article 2.03 shall continue in effect.

All of Article 7 and Sections 8.01, 8.02, 8.03, 8.06 and 8.09 of Article 8 will be suspended during the time that CTA "leaves" until such time as CTA returns and will be replaced by the applicable provisions of Rate RCDS and/or other applicable rates. For example, if CTA "leaves" and receives delivery service under Rate RCDS, then the applicable Point of Supply charge will be as stated on Rate RCDS sheet 119.1 for railroad delivery service customers, rather than the charge stated in Section 8.03 of the Agreement. Sections 8.04, 8.05, 8.07 and 8.08 of the Agreement will remain in full force and effect, without modification or suspension, during the period of time that the CTA leaves.

The following provisions of the Agreement, will remain in full force and effect, without modification or suspension, during the period of time that CTA leaves: Articles 1, 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26.

Mr. Dennis O. Anosike
July 7, 2004
Page 3.

3. Rate RCDS provides for consolidation of demand for billing purposes for Customer Class 11, Railroad Delivery Service Customers

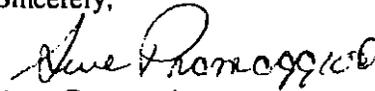
Rate RCDS rate sheet 127 provides, among other things, that:

The demands and kilowatt-hours delivered to two or more noncontiguous premises will not be combined for billing purposes hereunder except for a Railroad Delivery Service Customer or a Pumping Delivery Service Customer.

Accordingly, the demands and kilowatt-hours delivered to all 57 traction power substations (and any additional substations) will be consolidated for billing purposes under Rate RCDS for purposes of calculation of the Maximum Kilowatts Delivered (MKD), Demand Peak Periods and Distribution Facilities Charges.

Nothing in this letter alters the terms of the Agreement. Similarly, ComEd remains free to seek to add, amend, or withdraw riders and tariff provisions as permitted under Illinois law.

Sincerely,



Anne Pramaggiore
Vice President, Regulatory and Strategic Services

AP/SB/ag

cc: Kevin Loughlin
Simone Byvoets

April 21, 1961

Index of Valuable Papers
ELECTRIC SERVICE AGREEMENT

Dated August 1, 1958

between
Commonwealth Edison Company and Chicago Transit Company

- Advice No. 1 - Letter dated June 26, 1959, Edison to CTA with approval.
Removal of 25 cycle line #181 from Franklin St. Substation.
- Advice No. 2 - Letter dated September 10, 1959, Edison to CTA with approval.
Haymarket Square Substation will become a CTA regular substation January 1, 1960.
- Advice No. 3 - Letter dated June 24, 1960, Edison to CTA with approval.
Remove 25 cycle Line 197 from ESS 2-70, W. 63rd Street.
- Advice No. 4 - Letter dated August 10, 1960, CTA to Edison with approval.
Install two 12 Kv lines in connection with new 3000 Kw 60 cycle ignitron rectifier at Broadway Substation.
- Advice No. 5 - Letter dated October 11, 1960. Edison to CTA with approval.
Discontinue 600 volt emergency service into Whipple Street Substation.
- Advice No. 6 - Letter dated November 4, 1960, CTA to Edison with approval.
Central Street Substation to become a CTA regular substation, February 1, 1961.
- Advice No. 6A- Letter dated January 20, 1961, Edison to CTA with approval.
To extend the time to February 28, 1961, for Central Street Substation to become a CTA regular substation.
- Advice No. 7 - Letter dated April 3, 1961, CTA to Edison with approval.
Install two 12 Kv lines and line pilot wire relaying facilities at new Princeton Substation.

EJD:cjb

- Advice No. 7A - Letter dated May 1, 1962, CTA to Edison with acceptance. Princeton Substation to be completed by May 31, 1962, and substation at 6338 South Worth to cease being a point of supply on that date.
- Advice No. 8 - Letter dated June 6, 1961, Edison to CTA with approval. Ravenswood Substation will become a CTA regular substation July 1, 1962.
- Advice No. 9 - Letter dated July 31, 1961, Edison to CTA with approval. Forest Park Substation synchronous converter No. 2 and associated facilities to be conveyed to CTA on August 31, 1961.
- Advice No. 9A - Letter dated August 31, 1961, Edison to CTA with acceptance. Delivery of bill of sale for equipment covered in Advice No. 9.
- Advice No. 10 - Letter dated June 26, 1962, Edison to CTA with acceptance. Forest Park (Edison Joint Substation) - make CTA conversion equipment automatic.
- Advice No. 11 - Letter dated June 26, 1962, Edison to CTA with acceptance. Cicero (Edison Joint Substation) - make CTA conversion equipment automatic.
- Advice No. 12 - Letter dated April 9, 1963, CTA to Edison with acceptance. Install two 12-kv lines at new Harlem Substation.
- Advice No. 12A - Letter dated March 20, 1964, CTA to Edison with acceptance. Change service date of Harlem Substation from March 1, 1964, to July 1, 1964.
- Advice No. 12B - Letter dated August 13, 1964, CTA to Edison with acceptance. Change service date of Harlem Substation from July 1, 1964 to November 1, 1964.
- Advice No. 13 - Letter dated August 12, 1963, Edison to CTA with acceptance. Clifton Avenue Substation will become a CTA regular substation October 1, 1964.
- Advice No. 13A - Letter dated August 13, 1964, CTA to Edison with acceptance. Change service date of Clifton Avenue Substation from October 1, 1964 to December 1, 1964.
- Advice No. 13B - Letter dated January 21, 1965, Edison to CTA with acceptance. Release of tracings pertaining to electrical equipment at Clifton Avenue Substation.
- Advice No. 14 - Letter dated August 12, 1963, Edison to CTA with acceptance. Railway portion of Newport Substation will become a CTA regular substation July 1, 1964.

Advice No. 14A -- Letter dated August 20, 1964, Edison to CTA with acceptance. Release of tracings pertaining to electrical equipment at Newport Substation.

Advice No. 15 -- Letter dated February 3, 1964, CTA to Edison with acceptance. Reactivation of Lee Street and Niles Center Road (Skokie) Substation on or about April 1, 1964.

ADVICE NO. 16 - LETTER DATED 6-9-65 C.E. TO C.T.A.
PROVISIONS OF 8-1-58 CONTRACT
SPECIFYING INDIRECT PAY ROLL 70%.

ADVICE NO. 17 - LETTER DATED 12-10-65 C.T.A. TO C.E. CO.
ADVISING THEM THAT HERMITAGE SUB.
WILL BECOME A REGULAR SUBSTATION
ON 12-1-66.

ADVICE NO. 17A - LETTER DATED 9-21-66 CHANGES
HERMITAGE SUB. TAKE OVER TO 12-4-66.

ADVICE NO. 18 - LETTER DATED 9-1-66 C.T.A. TO C.E. CO.
ASKING C.E. CO. TO CHANGE THE CONVERS-
ION SCHEDULE.

ADVICE NO. 18A - LETTER DATED 1-26-67 C.T.A. TO C.E. CO.
SUBSTITUTE FRANKLIN CONVERSION
FOR MILWAUKEE DUE TO TRANS-
FORMER FAILURE AT FRANKLIN.

ADVICE NO. 18B - LETTER DATED 5-10-67 C.T.A. TO
C.E. CO. ADVISE C.E. CO. THAT
HOMER, MILWAUKEE, GRAND, CRAWFORD,
DELAY WILL, KOLMAR & WESTERN
DUE TO KDR PROGRAM.

ADVICE NO. 19 - LETTER DATED 6-20-67 C.E. CO.
TO C.T.A. ADVISING KOLMAR SUB.
BECOME A REGULAR SUBSTATION
12-31-67.

ADVICE No. 19A

ADVICE No. 19B

LETTER DATED 5-6-68 C.E. CO.
TO CTA, ADVICE TO GUIDE LINES
IN OPERATING, KOLMAR SUB.

ADVICE No. 20.

LETTER DATED 11-21-67 C.T.A. TO
C.E. CO. NOTIFYING THEM OF
(5) KDR SUBSTATIONS & REQUEST-
ING 12KV SERVICES.

ADVICE No. 21

LETTER DATED 4-21-69 C.E. CO.
TO CTA ADVICE TO GUIDE LINES
IN OPERATING, CICERO SUB.

ADVICE No. 21A

LETTER DATED 7-10-69 C.E. CO. TO
CTA ADVISING CHANGE OF
CICERO SUB. CONVEYANCE DATE
FROM 8-1-69 TO 9-1-69

ADVICE No. 21B

LETTER DATED 11-17-69 C.E. CO.
TO CTA, CICERO SUB. TO
CTA REGULAR SUBSTATION 11-1-71

ADVICE No. 21C
ADVICE No. 22

7/1/73 PURCHASE ORDER AC SUBS TO C.E. CO. REF 8/1/73
LETTER DATED 4-21-69 C.E. CO.
TO CTA ADVICE TO GUIDE LINES
IN OPERATING, FOREST PK. SUB.

ADVICE No. 22A

LETTER DATED 7-10-69 C.E. CO. TO
CTA ADVISING CHANGE OF FOREST
PARK SUB. CONVEYANCE DATE
FROM 8-1-69 TO 9-1-69

ADVICE 22B

LETTER DATED 10-15-69 C.E.CO. TO
CTA, FOREST PK, SUB. TO CTA
REGULAR SUBSTATION 10-17-69.Advice LLC
ADVICE 237/1/83 remain same as per C.E. CO. 7/1/83
LETTER DATED 4-11-69 C.E.CO. TO
CTA ADVICE TO GUIDE LINES
IN OPERATING SCHOOL ST, SUB.

ADVICE 23A

LETTER DATED 7-10-69 C.E.CO. TO
CTA ADVISING CHANGE OF SCHOOL
ST, SUB. CONVEYANCE DATE FROM
10-1-69 TO 11-1-69

ADVICE 23B

LETTER DATED 1-8-70 C.E.CO. TO
CTA, CANCELLING ADVICE 23A &
SCHOOL ST, SUB. TO CTA REGULAR
SUBSTATION ON 1-9-70.

ADVICE 24

LETTER DATED 4-29-69 C.E.CO. TO
CTA. ADVICE TO GUIDE LINES
IN OPERATING 62ND. ST. SUB.

ADVICE 25

& REVISE ADVICE 19 (% COST) ^{OPER & MAINT.}
LETTER DATED 3-11-69 CTA TO
C.E.CO. ADVISING 44TH. SUB. WILL
CEASE AS A POINT OF SUPPLY
ON 3-17-69.

ADVICE 26

LETTER DATED 8-6-69 CTA TO
C.E.CO. ADVISING EDMUNDS OPERATING
ON 8-5-69 & GRIMM SUB. CEASED
AS A POINT OF SUPPLY ON 8-5-69

ADVICE 27

LETTER DATED 12-27-72 C.E.CO.
TO CTA ADVISING E. LAKE ST.
TO CTA REGULAR SUBSTATION
ON 1-2-73 AND CHANGING
ADVICE 24 (% COST OPER. & MAINT.)

ADVICE 28 LETTER DATED 1/11/73 CTA TO C.E.CO. ADVISING SCHOOL SUB. WILL CEASE AS A POINT OF SUPPLY ON 1-16-73.

ADVICE 29 LETTER DATED 3/26/73 CTA TO C.E.CO. ADVISING GRAND SUB. WILL CEASE AS A POINT OF SUPPLY ON 4-1-73

ADVICE 30 LETTER DATED 3/24/73 CTA TO C.E.CO. ADVISING NORTH SUB. WILL CEASE AS A POINT OF SUPPLY ON 4-1-73.

ADVICE 28A LETTER DATED 2/14/74 CTA TO C.E.CO. ADVISING 12KV EQUIPMENT AT SCHOOL SUB. TRANSFERRED TO C.E.CO. OWNERSHIP BECAUSE MUTUALLY ADVANTAGEOUS.

ADVICE 31 LETTER DATED 2/21/75 CTA TO C.E.CO. ADVISING NEWPORT CEASE AS A POINT OF SUPPLY ON 4/1/75 & CLARK BECOME A POINT OF SUPPLY.

ADVICE 32 LETTER CTA TO CEC. DATE 1/5/76 TERMINATING 62ND AS PT. OF SUPPLY EFF. 2/1/76 AND INITIATING KOTTAGE GRANE AS POINT OF SUPPLY

ADVICE 32A TERMINATING 62ND AS JOINT SUBSTATION

ADVICE 33 CTA TO CEC TERMINATING CANTON SUBSTATION AS POINT OF SUPPLY AND INITIATING NOYES SUBSTATION AS POINT OF SUPPLY EFF. 8/1/75

ADVICE 34

CTA TO CECO TERMINATING MAYBLOE AS
POINT OF SUPPLY AND INITIATING SPRINGFIELD
EFF. 5/17/79

ADVICE 35

CTA TO CECO TERMINATING OLD CLIFTON
AND INITIATING NEW CLIFTON AS POINT OF
SUPPLY EFF. 4/5/79

ADVICE 36

CTA TO CECO TERMINATING OLD CALVARY
AND INITIATING NEW CALVARY AS POINT OF SUPPLY
EFF. 6/24/79

ADVICE 37

CTA TO CECO TERMINATING OLD KULMAN AND
INITIATING NEW KULMAN AS A POINT OF SUPPLY
EFF. 2/3/80

ADVICE 37A

CTA TO CECO TERMINATING KULMAN AS A JOINT SUBSTATION 3/1/81

ADVICE 38

CTA TO CECO ~~TERMINATING~~ INITIATING KEEPLE
SUBSTATION AS A POINT OF SUPPLY EFF. 2/19/80

ADVICE 39

CTA TO CECO INITIATING PROCEEDS SUBSTATION
AS A POINT OF SUPPLY EFF. 3/15/80

ADVICE 40

CTA TO CECO ~~TERMINATING~~ CLARA AND INITIATING
SYTH AS A POINT OF SUPPLY EFF. 5/29/80

ADVICE 41

CTA TO CECO TERMINATING FOREST PARK AND
INITIATING DESPLAINES AS A POINT OF SUPPLY EFF. 6/7/80

ADVICE 42

CTA TO CECO ~~TERMINATING~~ ~~INITIATING~~ DOLLAR SUBSTATION
AS POINT OF SUPPLY EFFECTIVE 3/18/81

- Advice 43 CTA to CECO INITIATING NAYNE SUBSTATION
AS POINT OF SUPPLY EFF 3/1/83
- Advice 44 CTA to CECO INITIATING BURN MOUNT SUBSTATION
AS POINT OF SUPPLY EFF 3/1/83
- Advice 45 CTA to CECO INITIATING CONSELLAND SUBSTATION
AS POINT OF SUPPLY EFF 3/1/83
- Advice 46 CTA to CECO INITIATING GORE SUBSTATION
AS POINT OF SUPPLY EFF 3/1/83
- Advice 47 CTA to CECO INITIATING O'HARE SUBSTATION
AS POINT OF SUPPLY EFF SEPT 1, 1984
- Advice 48 CTA to CECO INITIATING 27th SUBSTATION
AS POINT OF SUPPLY EFFECTIVE SEPT 2 1991
- Advice 49 CTA to CECO INITIATING AVOHEB SUBSTATION
AS A POINT OF SUPPLY EFF JULY 12, 1993
- Advice 50 CTA to CECO INITIATING ASHLAND SUBSTATION
AS A POINT OF SUPPLY EFF NOV 1, 1993
- Advice 51 CTA to CECO INITIATING CEVMAK SUBSTATION
AS A POINT OF SUPPLY EFF JULY 12, 1993
- Advice 52 CTA to CECO INITIATING MIDWAY SUBSTATION
AS A POINT OF SUPPLY EFF. NOV 1, 1993
- Advice 53 CTA to CECO INITIATING OAKLEY SUBSTATION
AS A POINT OF SUPPLY EFF NOV 1, 1993

- Advice 54 CTA to CECo INITIATING palaski Substation
AS A point of Supply eff NOV 1, 1993
- Advice 55 CTA to CeCo INITIATING 49th Substation
AS A point of Supply eff NOV 1, 1993
- Advice 56 CTA to CeCo INITIATING 59th Substation
AS A point of Supply eff JAN 7, 1996
- Advice 57 CTA to CeCo INITIATING 35th Substation
AS A point of Supply eff JAN 7, 1996
- Advice 58 CTA to CeCo INITIATING transferring load
from "old" Haymarket to New Haymarket
effective JAN 25, 1996
- Advice 59 CTA to CeCo INITIATING Loomis Substation
AS A point of Supply eff MARCH 13, 1996
- Advice 60 CTA to CeCo INITIATING 18th street Substation
AS A point of Supply eff MARCH 31, 1996
- Advice 61 CTA to CeCo INITIATING 47th Substation
AS A point of Supply eff MARCH 31st 1996
- Advice 62 CTA to CeCo INITIATING Kimball Substation
AS A point of Supply eff MARCH 19, 1997
- Advice 63 CTA to CeCo INITIATING Hamlin Substation
AS A point of Supply effective April 4, 1997
- Advice 64 CTA to CeCo INITIATING Linden Substation
AS A point of Supply effective July 2, 1997

ADVICE 65

CTA to ComEd Terminating 20th Substation
AS A Regular Substation effective JAN 14, 2003

COMMONWEALTH  COMPANY

72 WEST ADAMS STREET • CHICAGO 90, ILLINOIS

Advice
No. 1

June 26, 1959

Chicago Transit Authority
Merchandise Mart Plaza
Chicago 54, IllinoisAttention: Mr. C. W. Wolf
Electrical Engineer

Gentlemen:

Confirming conversation between Messrs. J. Stewart and C. S. Wickstrom, Edison desires to remove one of the 9 kv 25 cycle lines from Franklin St. Substation. This substation, in addition to CTA's State St. Substation and two Edison substations are normally served as a group by 4 - 25 cycle lines. Reduction in Edison's load requires only a 3 line supply to the substation group.

The proposed line removal and rearrangement of the remaining lines are shown on Project Diagram 59-512, two copies of which are attached. It should be noted that the line rearrangement provides a separate line to each of the 3-25 cycle buses in Franklin St. Substation which we understand you consider a desirable operating condition.

If the removal and rearrangement of lines meets with your approval, will you please so indicate in the space below and return one copy.

Yours very truly,

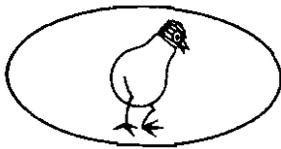


System Planning Engineer

Approved
Chicago Transit AuthorityBy 
Electrical EngineerDate June 30, 1959

CSW:ehd

Att.



Commonwealth Edison Company

72 WEST ADAMS STREET • CHICAGO 90, ILLINOIS

Advice No 2
September 10, 1959

#635

Chicago Transit Authority
Merchandise Mart Plaza
Chicago 54, Illinois

ATTENTION: Mr. C. W. Wolf

Gentlemen:

The Commonwealth Edison Company will cease using Haymarket Square Edison Joint Substation for purposes other than a point of supply for CTA on December 31, 1959. Construction work necessary to dispose of Edison's General Service Facilities and to place the substation in satisfactory condition for CTA purposes will be completed by December 31, 1959. Therefore, in accordance with the Electric Service Agreement, dated August 1, 1958, Commonwealth Edison will convey Haymarket Square Substation to the Chicago Transit Authority on January 1, 1960, whereupon, in accordance with the understanding between us and without further action, this substation will become a CTA Regular Substation.

If the foregoing correctly states our understanding, will you please confirm by signing in the space provided below for your signature, and return one copy for our files.

Yours very truly,
Commonwealth Edison Company

CONFIRMED:
Chicago Transit Authority

By C. W. Wolf
Electrical Engineer

Approved by W. J. McCarth
General Manager

By J. G. La Clair
Manager of Research and
Development

By Murray Joslin
Vice President

CHICAGO TRANSIT AUTHORITY

MERCHANDISE MART PLAZA • P. O. BOX 3666, CHICAGO 64, ILLINOIS • MOHAWK 4-7200



Advice No. 4
August 10, 1960

Commonwealth Edison Company
72 West Adams Street
Chicago 90, Illinois

Attention: Mr. E. Wild
Manager of Engineering

Gentlemen:

Chicago Transit Authority (CTA) hereby advises Commonwealth Edison Company (Edison) that a new 3,000 KW, 60 cycle, Ignitron Rectifier, to be installed in the present CTA Regular Substation at 5847 Broadway, will be ready for service on or about January 1, 1961. CTA requests Edison to proceed with the installation of two 12 KV lines (No. 1466 - Northwest and No. 63830 - Ardmore) in accordance with plans and specifications prepared by Laramere, Deuglass and Pepham, Incorporated, by order of CTA.

It is understood that Edison will furnish all cable required for the two 12 KV lines and that CTA will reimburse Edison for the cost of that portion of the cable extending from the building line to the line terminals of the A.C. switchgear. Such reimbursement will be in accordance with the provisions of Article 11-11 of the Electric Service Agreement between us dated August 1, 1958. CTA will pay Edison the sum of \$3,450 on completion of the work, to cover the additional cost of providing service at the rear of the substation rather than at the front (Broadway) where the present service is provided.

The installation of the 60 cycle rectifier is not required because of increased loading, but it is the first step in a modernization program at Broadway substation which will enable CTA to save a portion of the operating costs.

Very truly yours,
CHICAGO TRANSIT AUTHORITY
By C. H. Wolf
Electrical Engineer

Approved:
COMMONWEALTH EDISON COMPANY
By Earle Wild
Manager of Engineering

By Thomas G. Ayers
Vice-President

Approved:
W. J. McCarty
General Manager

CHICAGO TRANSIT AUTHORITY

MERCHANDISE MART PLAZA • P. O. BOX 3555, CHICAGO 54, ILLINOIS • MOhawk 4-7200



Advice No. 12
April 9, 1963

Commonwealth Edison Company
72 West Adams Street
Chicago 90, Illinois

Attention: Mr. E. Wild
Manager of Engineering

Gentlemen:

Chicago Transit Authority (CTA) hereby advises Commonwealth Edison Company that two 2500 KW, 60 cycle, silicon rectifiers will be installed in a new building to be known as Harlem Substation and located at the northwest corner of Harlem and Circle Avenues in Forest Park, and which will furnish 600 volt power to the present Lake Street Branch of the CTA rapid transit system and to a new car storage yard to be located just west of the new substation site. It is expected that Harlem Substation will be ready for service on or about March 1, 1964.

CTA requests Edison to proceed with the installation of two 12 KV lines (#5750 and #5773) and one single conductor 1000 MCM drain cable in accordance with decisions and agreements reached in conference on February 5, 1963, confirmed by letters of February 28, 1963 and March 8, 1963.

It is understood that Edison will furnish and CTA will reimburse Edison for the cost of the following 12 KV line facilities:

That portion of the 500 MCM 3-conductor 12 KV line cables extending from the building-line to the line terminals of the A.G. switchgear.

It is further understood that Edison will furnish without cost to CTA and CTA will install at its own expense the following metering facilities and Edison cable-sheath drainage facilities, space for which has been provided in plans and specifications EEE-3020-63 for equipment and RWC-3022-63 as prepared by Larramore, Douglas and Popham, Incorporated, by order of CTA:

- 4 - General Electric, type JKH-5 current transformers, 300/5 amperes, cat. #631X19.
- 4 - General Electric, type JVH-5 potential transformers, 12000/120 volt, cat. #685X45.
- 1 - Meter panel (24" by 30") with mounting brackets and equipped with a type PD demand meter and a totalizing kilowatthour meter.
- 1 - 1000 amperes, automatic reverse current switch paralleled by a 1000 amperes manual switch.

That portion of the 1000 MCM, single conductor, 600 volt drain cable extending from the building-line to the terminal of the automatic reverse current switch.

Very truly yours,

Chicago Transit Authority

By C. W. Hoeg
Electrical Engineer

APPROVED:

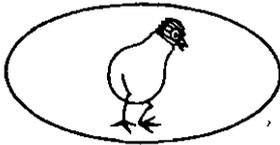
Commonwealth Edison Company

By Earle Wild
Manager of Engineering

By Thomas G. Ayers
Exec. Vice President

Approved:

W. J. M. Carter
General Manager



Commonwealth Edison Company

TECHNICAL CENTER • 1319 SOUTH FIRST AVENUE • MAYWOOD, ILLINOIS

Advice No. 13

August 12, 1963

Chicago Transit Authority
Merchandise Mart Plaza
Chicago 54, Illinois

Attention: Mr. G. W. Wolf

Gentlemen:

The Commonwealth Edison Company will cease using Clifton Avenue, Edison Joint Substation, for purposes other than as a point of supply for CTA on September 30, 1964. Construction work necessary to dispose of Edison's general service facilities and to place the substation in satisfactory condition for CTA purposes will be completed by September 30, 1964. Therefore, in accordance with the electric service agreement, dated August 1, 1958, Commonwealth Edison will convey Clifton Avenue Substation to the Chicago Transit Authority on October 1, 1964, where-upon, in accordance with the understanding between us and without further action, this substation will become a CTA regular substation.

In connection with the above, Edison desires to retain ownership of and the right to use and maintain existing manholes and associated conduit runs located on the premises.

Edison also desires to retain ownership of all cable in said manhole and conduit system except that portion of the CTA supply cables which leave the manholes and enter the substation building.

Will you please confirm by signing in the space provided below for your signature and return one copy for our files.

Yours truly,

COMMONWEALTH EDISON COMPANY

By *Earl H. Hill*
Manager of Engineering

Approved:

By *Thomas G. Ceylan*
Executive Vice-President

CONFIRMED:

CHICAGO TRANSIT AUTHORITY

By *C. W. Wolf 8/22/63*
Electrical Engineer

Approved:

By *W. J. McCarth 8/22/63*
General Manager

Commonwealth Edison Company

72 WEST ADAMS STREET * CHICAGO, ILLINOIS 60690

Advice Number 19
June 20, 1967

Chicago Transit Authority
Merchandise Mart Plaza
P.O. Box 3555
Chicago, Illinois 60654

Gentlemen:

Engineering discussions between Edison and CTA have confirmed that it will be advantageous to both companies to discontinue operating Kolmar Substation as a Joint Substation. Due to the uncertain future of this substation which may be affected by Crosstown Expressway developments, and since the railway portion of the substation is scheduled to be converted to 60-cycle supply in accordance with the Edison-CTA agreement dated May 5, 1965, it is not desirable at this time for Edison to take the steps required, under Section 10.08 of the Edison-CTA Contract dated August 1, 1958, to constitute the substation a CTA Special Substation. Edison and CTA therefore agree that Edison at its expense, will perform such work as will be required to allow CTA to assume operation and maintenance of the Conversion Facilities at Kolmar Substation without interference with Edison General Service Facilities at the same location. Such work shall be as mutually agreed by Edison and CTA engineers. The work shall be completed to allow transfer to CTA operation by December 31, 1967.

If Crosstown Expressway developments do not require the demolition of the Substation, and the railway portion of the Substation is converted to 60-cycle supply, Edison at its expense will then complete the work necessary under Section 10.08. In the interim, CTA agrees to assume all operation and maintenance of Conversion Facilities and Edison will continue to perform all operation and maintenance of Joint Facilities at Kolmar. Until the necessary action under Section 10.08 is completed, the substation shall continue to be defined as a Joint Substation.

Commonwealth Edison Company

Chicago Transit Authority - 2 - June 20, 1967

In consideration of the changes provided for above, the parties agree that percentage specified in Section 1.01(28) of the CTA Contract, as previously redetermined, shall be decreased to 61% on the first day following CTA's assumption of operation and maintenance of the Conversion Facilities at Kolmar Substation.

CONFIRMED:

CHICAGO TRANSIT AUTHORITY

COMMONWEALTH EDISON COMPANY

By *G. J. Buck*

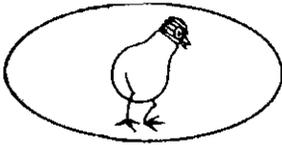
By *Walter H. Nevel*

Title Electrical Engineer

Title Vice President

Approved By *T. M. ...*

Title General Manager



Commonwealth Edison Company

TECHNICAL CENTER * 1319 SOUTH FIRST AVENUE * MAYWOOD, ILLINOIS 60153

Advice #21
April 21, 1969

Chicago Transit Authority
Merchandise Mart Plaza
P.O. Box 3555
Chicago, Illinois 60654

CICERO

Gentlemen:

Engineering discussions between Edison and CTA have confirmed that it will be advantageous to both companies to discontinue operating the Cicero Substation as an Edison Joint Substation. Section 10.08 of the Electric Service Agreement between Edison and CTA dated August 1, 1958 provides that it can become a CTA Special Substation if Edison, at its expense, performs such construction work necessary to dispose of Edison General Service Facilities and place the substation in satisfactory operating condition for CTA purposes and may become a CTA Regular Substation by agreement of the parties under Section 9.05. Edison and CTA agree that the Cicero Substation shall become a CTA Substation, and, such Substation, except as recorded below shall be a CTA Regular Substation. Edison and CTA agree, however, that it is not economical or necessary at this time to install all new facilities required for a complete separation.

It is therefore, agreed that Edison, at its expense, will perform such work as will be required to allow conveyance to CTA as a CTA Substation that portion of the Cicero Edison Joint Substation containing conversion facilities with the following exceptions:

1. Only a single source of auxiliary power, metered separately from the 12 kv rotary feeds, shall be provided in the portion which will become a CTA Regular Substation. An unmetered emergency source of 120/240-volt auxiliary power shall be provided from Edison's Substation. In turn, an unmetered emergency 120/240 volt source for Edison will be provided from CTA's normal auxiliary service bank. The two auxiliary power banks shall be connected to separate and independent sources of supply.
2. CTA's requirement for DC control power is small. Edison shall provide an unmetered, 60-ampere DC circuit from Edison's operating battery to CTA's DC Distribution Panel for DC control purposes.
3. For a ten-year period following mutual acceptance of this Advice should Edison system developments make a change desirable in the auxiliary power or DC facilities outlined above, Edison shall reimburse CTA for the cost of installation of such replacement facilities in the CTA Substation as may be mutually agreed by Edison and CTA Engineers.

4. Two conversion unit transformer 12 kv circuit breakers together with their protective relays, metering, control wiring, and other auxiliary apparatus, the property of CTA, will remain located in the Edison Substation. These facilities shall be a CTA Special Substation under Article 9 of the Electric Service Agreement. If a change in this arrangement is necessitated by change in Edison facilities, Edison shall perform, at Edison expense, such construction work as may thus be made necessary to place CTA facilities in satisfactory operating condition for CTA purposes.
5. Within the area which will become a CTA Substation, certain Edison power and control cables will remain. Edison shall have the right to retain these facilities in place together with right of access for repair, maintenance, or construction purposes in accordance with Articles 15 and 23 of the Electric Service Agreement.
6. Within the area which will remain Edison property, certain CTA cables and equipment located in the northwest corner of the present main substation building will remain. CTA shall have the right to retain these facilities in place together with the right of access for repair, maintenance, or construction purposes in accordance with Articles 15 and 23 of the Electric Service Agreement.
7. CTA shall have a right of access through the Edison Substation Yard in accordance with Article 23 of the Electric Service Agreement for removal or replacement of rotary #2 transformer located in the present North Rotary Annex Building.

For a ten-year period following mutual acceptance of this advice, if CTA desires to locate new or replacement conversion facilities in Edison's present main substation building, they shall have the right to do so by paying the cost of removal of all Edison General Service facilities within the building. In this event, the substation building shall be transferred to CTA and in turn CTA shall transfer to Edison the property lying north of the substation building now generally occupied by rotary unit #1 transformer and rotary #2 annex building.

It is expected that Edison will complete the construction work required for conveyance to CTA by August 1, 1969.

Yours very truly,

CONFIRMED:

CHICAGO TRANSIT AUTHORITY

BY *M. Sandberg*

Electrical Engineer

APPROVED BY

T. P. Quinn

TITLE General Manager

MFT:lp

COMMONWEALTH EDISON CO.

BY *H. S. Hillstrand*
Division Operating Manager

APPROVED BY

Arthur W. Neyer

TITLE Vice-President

Advice No. 25

March 11, 1969

Commonwealth Edison Company
Technical Center
1319 South First Avenue
Maywood, Illinois 60153

Attention: Mr. H. F. Tuntland

Gentlemen:

The Chicago Transit Authority hereby advises the Commonwealth Edison Company that it no longer requires the output of 44th Street Substation beginning March 17, 1969.

Consistent with this, and pursuant to the terms of the Electric Service Agreement dated August 1, 1958, the Chicago Transit Authority requests that beginning with March 17, 1969 the 44th Street Substation ceases to be a point of supply as defined in that agreement.

Very truly yours,

Chicago Transit Authority

By Stewart for A.R. Sandberg
Electrical Engineer

APPROVED:

Commonwealth Edison Company

By J. J. Maley 3-20-69

By Robert H. Nexon

Date 4/1/69

APPROVED:

By T. Robinson
General Manager

EAV/djk

AS

Agreement Dated as of June 19, 1964 between
Chicago Transit Authority and Commonwealth
Edison Company for the Elimination of Supply
of 25-Cycle Alternating Current Service,
Supplementary to Electric Service Agreement
between Commonwealth Edison Company and Chicago
Transit Authority Dated as of August 1, 1958

WHEREAS, under the Electric Service Agreement dated as of August 1, 1958 between Chicago Transit Authority (CTA) and Commonwealth Edison Company (Edison), Edison supplies CTA with a limited amount of 25-cycle alternating current for conversion by CTA to direct current; and

WHEREAS, Edison's facilities for 25-cycle supply and CTA's facilities for converting 25-cycle alternating current to direct current are obsolete, and it would be advantageous to both parties to retire such facilities as promptly as possible to avoid the necessity of major repair or replacement; and

WHEREAS, CTA's ability to retire or replace 25-cycle conversion equipment is limited by its financial resources; and

WHEREAS, under the foregoing circumstances there is a precedent for a contribution by Edison to the replacement of customer-owned equipment in Edison's rules, on file with the Illinois Commerce Commission, which specify that, when Edison requires a customer to replace direct current utilization equipment, generally comparable with CTA's 25-cycle equipment, with alternating current equipment, Edison will bear 40% of the replacement cost; and

WHEREAS, CTA estimates that it can meet the remaining 60% of such cost on the schedule of retirements and replacements set forth in Section 1 below, but may be able to achieve operating economies from an accelerated schedule if funds are available for the work required;

NOW, THEREFORE, CTA and Edison agree as follows:

1. The capacity to be supplied with 25-cycle alternating current will be retired or replaced to permit receiving 60-cycle alternating current in accordance with the following schedule, and Edison's obligation to supply CTA's 25-cycle capacity shall be reduced correspondingly:

<u>December 31 of Year</u>	<u>Kilowatts of 25-Cycle Capacity Retired or Replaced (Cumulative)</u>	<u>Kilowatts of 25-Cycle Capacity Edison is Obligated to Supply</u>
1965	12,000	145,000
1966	30,000	127,000
1967	49,000	108,000
1968	62,000	95,000
1969	70,000	87,000
1970	90,000	67,000
1971	111,000	46,000
1972	129,000	28,000
1973	141,000	16,000
1974	157,000	0

2. The substation locations at which retirement or replacement shall occur in any given year shall be selected by CTA, except that CTA's Harding, 20th Street, and 42nd Street substations shall be equipped exclusively for 60-cycle supply by December 31, 1966. The parties recognize that they have a common interest in reliability of service which will affect the selection

of locations at which 25-cycle supply should be terminated, and shall consult regularly on the selection of locations at which the termination of 25-cycle supply would be most advantageous. Edison may consent to variations from the schedule provided for in Section 1 above to permit termination at such locations.

3. Edison will pay 40% of the cost of removing CTA's present 25-cycle substation Facilities which are to be retired by CTA and a like percentage of the cost of providing and installing the 60-cycle substation Facilities required to replace 25-cycle Facilities, provided that CTA meets the schedule of replacement and retirement provided for in Section 1 as modified in accordance with Section 2. Such cost shall consist of the sum of (a) the total amounts paid by CTA for the purchase from others of substation Facilities, materials, and services reasonably required for such removal and replacement and (b) the direct payroll cost of the services of craftsmen, engineers, draftsmen, laborers and other CTA employes so required, plus 50% of such direct payroll cost to cover indirect payroll cost capitalized, including provision for pensions, social security tax, paid holidays, insurance benefits, seven-day sick pay, vacations, and general and administrative expenses (including supervision above the foreman level), it being agreed that such percentage shall not be subject to redetermination, less (c) the proceeds of all sales of salvage incident to such removal and replacement and the fair market value of any such salvage reused by CTA. Edison's payments with respect to any portion of the work shall be due, in the case of payments to

outside suppliers, within 15 days of notification by CTA that it has been billed by such suppliers, and, in the case of payments for work performed by CTA, within 15 days after presentation of a statement showing the amount due.

4. Unless Edison shall otherwise consent in writing, CTA shall solicit competitive bids from a reasonable number of qualified suppliers for all equipment, materials and services to be purchased from others, the cost of which it proposes that Edison shall share in accordance with Section 3 hereof, and shall award contracts in each case to the lowest qualified bidder.

5. All Facilities installed shall be sized consistently with sound engineering practice. Edison's payments shall be based on the cost of the Facilities actually installed or of Facilities having the capacity shown in the following table, whichever is smaller:

terms as are set forth in Section Proposed Capacity of CTA's 60-Cycle AC-DC Agreement of August 1, 1958, for Conversion Facilities

Substation	(in Kilowatts)
Harding	4,500
20th Street	6,000
42nd Street	8,000
Broadway	5,000
Sedgwick	10,000
Illinois	6,750
Lombard	4,500
Midwaukee	6,000
State	6,000
Western	6,000
Ravenswood	9,000
Lill	9,000
Hermitage	7,500
Hbmer	6,750
Franklin	10,000
Kolmar	6,000
44th Street	3,000
Crawford	5,000
Grand	5,000
	<u>124,000</u>

6. CTA shall direct all replacement or retirement work required to meet the schedule provided for in Section 1 as modified in accordance with Section 2 and shall bear all costs associated therewith except as set forth in Section 3 above.

7. If CTA has scheduled identifiable projects for retirement and replacement of 25-cycle capacity sufficient to meet such schedule and desires to schedule additional identifiable projects which will result in retirement or replacement of 25-cycle capacity at least two years earlier than provided in such schedule, and if CTA so requests, Edison will advance to CTA such amounts as are required to pay the costs of such projects (to the extent of the excess of such costs over the amounts Edison is required to pay in accordance with the provisions of Section 3 above) as such costs are incurred, up to a maximum of \$1,750,000. Such advances shall be repayable in the same manner and on the same terms as are set forth in Section 13.01 of the Electric Service Agreement of August 1, 1958, for reimbursement of the cost of construction projects performed by Edison for CTA; provided, however, that any unpaid balance shall in any event be payable in its entirety at the end of any year (other than the year 1973) at which the cumulative reduction in CTA's 25-cycle capacity is less than two years ahead of such schedule, and provided, further, that all unpaid balances outstanding on December 31, 1974 shall be paid by the end of January, 1975.

8. The definition of Facilities in Article 1 and the arbitration provisions of Article 19 of the Electric Service Agreement of August 1, 1958, shall apply to this agreement.

9. Edison's obligations hereunder are subject to approval by the Illinois Commerce Commission, and promptly upon the execution of this agreement Edison shall undertake such action as is necessary to obtain such approval.

COMMONWEALTH EDISON COMPANY

By Thomas J. O'Connell
Executive Vice-President

Attest:

Ernest J. ...
Asst. Secretary

CHICAGO TRANSIT AUTHORITY

By Ed ...
Chairman, Chicago Transit Board

Attest:

Lucia K. ...
Assistant Secretary

AUTHORIZED BY ORDINANCE NO.
64-103 OF CHICAGO TRANSIT BOARD

Lucia K. ...
ASSISTANT SECRETARY