

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

NORTHERN ILLINOIS GAS COMPANY)
 d/b/a NICOR GAS COMPANY and)
 COMMONWEALTH EDISON COMPANY,)
) Docket No. 08-0418
 Petition pursuant to Section 7-102 of the)
 Public Utilities Act for consent and approval)
 of an Agreement concerning the final)
 allocation and responsibility for costs relating)
 to particular manufactured gas plant)
 remediation sites.

NOTICE OF FILING

To: All counsel of record

PLEASE TAKE NOTICE that on March 10, 2009, we submitted Northern Illinois Gas Company and Commonwealth Edison Company's SUBMISSION OF GROUP EXHIBIT A for filing in the above-captioned proceeding via e-Docket.

Dated: March 10, 2009

/s/ David M. Stahl
 David M. Stahl
 Vanessa D. McClinton
 EIMER STAHL KLEVORN & SOLBERG LLP
 224 S. Michigan Ave., Suite 1100
 Chicago, Illinois 60604
 (312) 660-7600

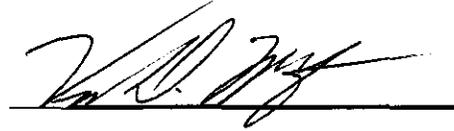
OFFICIAL FILE

I.C.C. DOCKET NO. 08-0418
 Exhibit No. A
 Witness _____
 Date 3/11/09 Reporter _____

08-0418
 ComEd Nicor Group Exhibit A
 3/11/09 - R.G.

CERTIFICATE OF SERVICE

I, Vanessa D. McClinton, do hereby certify that I caused a copy of the foregoing Northern Illinois Gas Company and Commonwealth Edison Company's **SUBMISSION OF GROUP EXHIBIT A** to be served on the parties to this docket by electronic mail on this 10th day of March, 2009.



A handwritten signature in black ink, appearing to read "Vanessa D. McClinton", is written over a solid horizontal line.

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

NORTHERN ILLINOIS GAS COMPANY d/b/a)
 NICOR GAS COMPANY and)
 COMMONWEALTH EDISON COMPANY,)
) Docket No. 08-0418
 Petition pursuant to Section 7-102 of the Public)
 Utilities Act for consent and approval of an)
 Agreement concerning the final allocation and)
 responsibility for costs relating to particular)
 manufactured gas plant remediation sites.)

**NORTHERN ILLINOIS GAS COMPANY'S d/b/a NICOR GAS COMPANY AND
 COMMONWEALTH EDISON COMPANY'S SUBMISSION OF GROUP EXHIBIT A**

Northern Illinois Gas Company d/b/a Nicor Gas Company ("Nicor Gas") and
 Commonwealth Edison Company ("ComEd") offer for submission into evidence their respective
 responses to Staff of the Illinois Commerce Commission's Data Requests Nicor 1.01 through
 Nicor 1.08, Nicor 4.01 through Nicor 4.03, CE 1.01 through CE 1.09 and CE 5.01 through CE
 5.03 attached here as ComEd/Nicor Group Exhibit A ("Exhibit A").

Nicor Gas and ComEd state that none of the information contained in Exhibit A is
 deemed to be privileged or confidential irrespective of any designation on any page of Exhibit A.

Commonwealth Edison Company

By: /s/ David M. Stahl

Title: One of the Attorneys for ComEd

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ComEd/Nicor Group Exhibit A:

1. Nicor's Response to Staff (TEE) – Nicor 1.01
2. Nicor's Response to Staff (TEE) – Nicor 1.02
3. Nicor's Response to Staff (TEE) – Nicor 1.03
4. Nicor's Response to Staff (TEE) – Nicor 1.04
5. Nicor's Response to Staff (TEE) – Nicor 1.05
6. Nicor's Response to Staff (TEE) – Nicor 1.06
7. Nicor's Response to Staff (TEE) – Nicor 1.07
8. Nicor's Response to Staff (TEE) – Nicor 1.08
9. Nicor's Response to Staff (TEE) – Nicor 4.01
10. Nicor's Response to Staff (TEE) – Nicor 4.02
11. Nicor's Response to Staff (TEE) – Nicor 4.03
12. ComEd's Response to Staff (TEE) – CE 1.01 w/ attachment Staff (TEE) –
CE1.01_Attach 1.
13. ComEd's Response to Staff (TEE) – CE 1.02
14. ComEd's Response to Staff (TEE) – CE 1.03 w/ attachment Staff (TEE) –
CE1.03_Attach 1.
15. ComEd's Response to Staff (TEE) – CE 1.04
16. ComEd's Response to Staff (TEE) – CE 1.05
17. ComEd's Response to Staff (TEE) – CE 1.06
18. ComEd's Response to Staff (TEE) – CE 1.07
19. ComEd's Response to Staff (TEE) – CE 1.08
20. ComEd's Response to Staff (TEE) – CE 1.09
21. ComEd's Response to Staff (TEE) – CE 5.01
22. ComEd's Response to Staff (TEE) – CE 5.02
23. ComEd's Response to Staff (TEE) – CE 5.03

Oct. 1, 2008

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to Illinois Commerce Commission Data Requests
ICC Docket No. 08-0418**

Nicor 1.01 Paragraph 10 of the Petition states: "Nicor Gas will be responsible for 51.73% and ComEd for 48.27% of all costs at sites that had been transferred to Nicor Gas pursuant to the 1954 General Conveyance". How did the Company arrive at the 51.73%/48.27% allocation ("Allocation") for the sites? Provide all supporting workpapers and assumptions made in reaching those allocation percentages.

CONFIDENTIAL RESPONSE:

Nicor arrived at the 51.73/48.27 Final Cost Allocation by an arms-length negotiation with Commonwealth Edison Company ("ComEd"), pursuant to the Interim Cooperative Agreement, which provides for final allocation "through negotiation or arbitration." The Utilities agreed that a 50/50 allocation of the Shared Costs with respect to all of the Sites that are the subject of the Final Allocation Agreement reflects the relative strengths of the Utilities' legal positions. Nicor agreed to bear 51.73 percent of the Shared Costs with respect to the Sites listed on Attachment A to the Agreement, rather than 50 percent. ComEd agreed to bear an offsetting percentage of the Shared Costs with respect to the Sites listed on Attachment B to the Agreement.

Person(s) responsible for providing the information requested for this data request question:

Nancy Huston
Senior Project Manager Environmental Services
630-388-2442

Oct. 1, 2008

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to Illinois Commerce Commission Data Requests
ICC Docket No. 08-0418**

Nicor 1.02 Referring to the Allocation referenced above, what would be the amount of costs incurred by the Company if the percentage allocation had been in effect since the inception of remediation costs incurrence?

CONFIDENTIAL RESPONSE:

If the allocation provided in paragraph 2.1 of the Final Allocation Agreement had been in effect since the inception of remediation-cost incurrence (Q4 1994), then Nicor would have incurred approximately \$109,000,000 in costs through the end of 2006.

Person(s) responsible for providing the information requested for this data request question:

Nancy Huston
Senior Project Manager Environmental Services
630-388-2442

Oct. 1, 2008

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to Illinois Commerce Commission Data Requests
ICC Docket No. 08-0418**

Nicor 1.03 What is the best projection of the future costs that will be incurred by ComEd and by Nicor Gas for these sites? Provide all assumptions made in determining that projection.

CONFIDENTIAL RESPONSE:

The Utilities are committed to appropriate investigation and remediation of MGP Sites, and expect to incur future Shared Costs relating to these Sites. As of December 31, 2007, Nicor Gas had recorded a liability in connection with MGP matters of \$15.2 million, which represents Nicor Gas' best estimate of its share of the future costs that will be incurred by Nicor Gas and Com Ed for these sites. Nicor's December 31, 2007, Form 10-K provides additional information about potential future costs in connection with these Sites. See, e.g., Nicor Inc. December 31, 2007, Form 10-K (filed Feb. 26, 2008) at Item 8 & Note 21 (Contingencies—"Manufactured Gas Plant Sites") and Item 15, available online at <<http://www.secinfo.com>>.

Estimates of loss contingencies, including environmental contingencies, entail significant management judgment. As noted within Statement of Position ("SOP") 96-1, *Environmental Remediation Liabilities*, the existence of a liability for environmental remediation costs becomes determinable and the amount of the liability becomes estimable over a continuum of events and activities that help to frame, define, and verify the liability. Nicor Gas is of the opinion that the MGP sites are non-homogenous and that each site has reached a different stage in the SOP's various benchmarks for the recognition of a remediation liability. It is upon this basis that Nicor Gas has prepared its financial statement estimates.

In developing its best estimate of the anticipated future costs associated with the investigation and remediation of these MGP sites, Nicor Gas accounting and environmental services personnel evaluate the specific known facts and circumstances of each site. Detailed site-by-site investigations determine the extent additional remediation is necessary and provide a basis for estimating future costs. Nicor Gas does not utilize probabilistic methodologies, which consists of assigning probabilities to alternative remedial activities.

Nicor Gas is not privy to the financial statement accrual analysis performed by ComEd (including its method for evaluating or establishing reserves based on available information on individual sites).

Person(s) responsible for providing the information requested for this data request question:

James Gorenz
Assistant Controller
630-388-2107

Oct. 1, 2008

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to Illinois Commerce Commission Data Requests
ICC Docket No. 08-0418**

Nicor 1.04 Will the Allocation result in increased costs for either utility over the remaining life of the remediation of the respective sites than would have occurred under the existing allocation?

CONFIDENTIAL RESPONSE:

The Utilities expect the Final Cost Allocation to affect the allocation of Shared Costs between the Utilities, but do not expect the Final Cost Allocation to result in materially increased total costs. Under the Final Allocation Agreement, Nicor expects to incur increased costs with respect to Sites listed on Attachment A to the Agreement, but decreased costs with respect to Sites listed on Attachment B. Under the Agreement, Nicor expects ComEd will incur decreased costs with respect to Sites listed on Attachment A to the Agreement, but increased costs with respect to Sites listed on Attachment B.

Person(s) responsible for providing the information requested for this data request question:

Nancy Huston
Senior Project Manager Environmental Services
630-388-2442

Oct. 1, 2008

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to Illinois Commerce Commission Data Requests
ICC Docket No. 08-0418**

Nicor 1.05 It is Staff's understanding that the Allocation was based on information as of December 2007. How does the 2008 remediation cost incurred impact the assumptions used to determine the Allocation?

CONFIDENTIAL RESPONSE:

The Utilities calculated the Final Cost Allocation percentages provided in paragraphs 2.1 and 2.2 of the Final Allocation Agreement based on data reflecting costs incurred through December 31, 2006. Costs subsequently incurred impact neither these percentages nor the assumptions used to arrive at them. Paragraph 2.4 of the Agreement addresses the scenario in which either utility has paid more or less in aggregate than the percentages provided in paragraphs 2.1 through 2.3, for the time period from January 1, 2007, until the date of Commission approval of the Agreement.

Person(s) responsible for providing the information requested for this data request question:

Nancy Huston
Senior Project Manager Environmental Services
630-388-2442

Oct. 1, 2008

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to Illinois Commerce Commission Data Requests
ICC Docket No. 08-0418**

Nicor 1.06 Does the Company prefer an effective date for the allocation to coincide with the calendar year used for the Rider ECR reconciliation? If the final order in this proceeding is not effective at year end, how does the Company propose account for mid-year costs?

CONFIDENTIAL RESPONSE:

Nicor Gas prefers that the Commission approve the Final Allocation Agreement as promptly as is convenient for the Commission, effective at the conclusion of the nearest quarter or calendar year. The allocations specified in the Final Allocation Agreement are effective as of January 1, 2007. The Final Allocation Agreement provides a mechanism by which the differences in (A) amounts paid between January 1, 2007 (under the interim Cooperative Agreement) and the date the Final Allocation Agreement becomes effective, and (B) amounts that would have been paid during that period had the Final Allocation Agreement been effective as of January 1, 2007, will be "trued-up."

Person(s) responsible for providing the information requested for this data request question:

Nancy Huston
Senior Project Manager Environmental Services
630-388-2442

Oct. 1, 2008

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to Illinois Commerce Commission Data Requests
ICC Docket No. 08-0418**

Nicor 1.07 The Agreement (Exhibit A to the Petition) at paragraph 2.3 discusses Program Costs continuing to be shared 50/50 between the utilities. Does the Company believe there will continue to be inter-company billings each year for those "shared" costs? Please explain why or why not.

CONFIDENTIAL RESPONSE:

Paragraph 2.3 of the Final Allocation Agreement reflects the Utilities' continued commitment to working cooperatively on the MGP remediation program by equally sharing all Program Costs. Nicor believes there will continue to be inter-company billings in connection with these Program Costs because Nicor expects that the Utilities will incur Program Costs in the future, and because, under the Agreement, the Utility that incurs Program Costs is entitled to receive 50 percent of those costs from the other Utility.

Person(s) responsible for providing the information requested for this data request question:

Nancy Huston
Senior Project Manager Environmental Services
630-388-2442

Oct. 1, 2008

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Response to Illinois Commerce Commission Data Requests
ICC Docket No. 08-0418**

Nicor 1.08 The Order in Docket No. 93-0431 which approved the Interim Cooperative Agreement (“ICA”) discusses an interest component which would be available to the utility that is determined to have paid on an Interim basis more than its proportionate share of the final allocated costs. What is the Company’s position with regard to this interest component?

CONFIDENTIAL RESPONSE:

The Utilities’ agreed allocation, which is reflected in the Final Allocation Agreement, subsumes any interest component.

Person(s) responsible for providing the information requested for this data request question:

Nancy Huston
Senior Project Manager Environmental Services
630-388-2442

November 20, 2008

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Responses to Illinois Commerce Commission
Data Requests
ICC Docket No. 08-0418**

TEE 4.01 Assume that in the future the Company incurs incremental environmental activity costs as that term is defined under the Company's Rider 12 at land near by or adjacent to sites listed on Attachment A to the Final Allocation Agreement, would the Company seek permission from the Commission to revise the Final Allocation Agreement? Please explain.

RESPONSE:

In the event that remediation of a site nearby or adjacent to an MGP site on Attachment A or Attachment B to the Final Allocation Agreement ("FAA") would be considered incidental to remediation of the MGP site, the parties would perform such remediation and share the costs thereof in accordance with the applicable percentage specified in the FAA, and would not revise the FAA.

Person(s) responsible for providing the information requested for this data request question:

John E. Rooney
Sonnenschein Nath & Rosenthal LLP
Attorney for Nicor Gas Company
(312) 876-8925

November 20, 2008

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Responses to Illinois Commerce Commission
Data Requests
ICC Docket No. 08-0418**

TEE 4.02 Assume that in the future the Company incurs incremental environmental activity costs as that term is defined under the Company's Rider 12 at land near by or adjacent to sites listed on Attachment B to the Final Allocation Agreement, would the Company seek permission from the Commission to revise the Final Allocation Agreement? Please explain.

RESPONSE:

See Response to TEE 4.01.

Person(s) responsible for providing the information requested for this data request question:

John E. Rooney
Sonnenschein Nath & Rosenthal LLP
Attorney for Nicor Gas Company
(312) 876-8925

November 20, 2008

**Northern Illinois Gas Company d/b/a Nicor Gas Company
Responses to Illinois Commerce Commission
Data Requests
ICC Docket No. 08-0418**

TEE 4.03 Has the Company determined in the past that it was liable for remediation of land nearby or adjacent to a current MGP site? If so, what if anything, did the Company do in order to include the costs of remediation of that site under its environmental rider?

RESPONSE:

It would not be unusual for the Company to be required to remediate nearby or adjacent property as an incident to remediation of an MGP site, inasmuch as contaminants are not, of course, constrained by the boundaries of property lines. The EPA would not allow the Company to neglect to remediate such adjacent or nearby property simply on grounds that the property itself was not an MGP site. Accordingly, the Company has recovered such remediation expenses through Rider 12, as those costs result from the operation of the identified MGP site.

Person(s) responsible for providing the information requested for this data request question:

John E. Rooney
Sonnenschein Nath & Rosenthal LLP
Attorney for Nicor Gas Company
(312) 876-8925

ICC Docket 08-0418

**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 1.01 - 1.09
Dated August 29, 2008**

REQUEST NO. STAFF (TEE) - CE 1.01:

Paragraph 10 of the Petition states: "Nicor Gas will be responsible for 51.73% and ComEd for 48.27% of all costs at sites that had been transferred to Nicor Gas pursuant to the 1954 General Conveyance". How did the Company arrive at the 51.73%/48.27% allocation ("Allocation") for the sites? Provide all supporting workpapers and assumptions made in reaching those allocation percentages.

RESPONSE:

The Allocation was the result of an arms-length negotiation between ComEd and Nicor. The negotiations leading to the Allocation were driven by two factors. The first factor was Nicor's position that, for the sites which were not transferred to it as part of its spin-off from ComEd in 1954 and which it never operated, its share of remediation costs should be zero. Although ComEd believed (and would assert in any arbitration) that the 1954 Assignment and Assumption Agreement (under which liabilities between ComEd and Nicor would be determined) provides a potential basis for the imposition of some greater share of these costs on Nicor, it also recognized that Nicor's position has substantial logical and intuitive appeal. Accordingly, ComEd accepted that position solely for the purposes of the Final Allocation Agreement.

The second factor was the parties' mutual desire not to reallocate between themselves costs already spent on remediation as of a fixed date during the negotiations, and allocated pursuant to the 50/50 sharing in the Interim Cooperative Agreement. Both parties believed that such reallocation would cause tremendous complexity as well as customer confusion, given that remediation costs began being incurred fifteen or more years ago, and are continuing at the present time.

Once these two factors had been agreed upon, the settlement allocations of 51.73% (for Nicor) and 48.27% (for ComEd) for the sites transferred to Nicor in 1954 were calculated. The workpapers supporting the settlement allocations are attached hereto as STAFF (TEE) - CE 1.01_Attach 1. To the extent that the workpapers are covered by an applicable privilege, their submission to Staff as part of this Data Request Response is not intended to be, and should not be construed as, a waiver of such privilege in whole or in part.

Information concerning the person(s) responsible for providing the information requested in the above Data Request question is provided below:

David Stahl
Eimer Stahl Klevorn & Solberg LLP
Attorney for Commonwealth Edison Company
(312) 660-7602

Commonwealth Edison Company
Summary of Transferred and NON-Transferred Manufactured
Gas Plant Sites and the Estimated Benefit \ Cost Scenario

CONFIDENTIAL AND PRIVILEGED
 Attorney-Client Communication/Party Representative Work Product
 Self Critical Analysis/Self Evaluative Privilege

STAFF (TEE) - CE 1.01_Attach 1

May 22, 2007

See Scenario Directive for Details

	PAST Expenditures Life-to-Date as of December 31, 2006 (A)	FUTURE COSTS 1/1/07 and After (from 2006 Study plus adjustments)	PROPOSED ComEd Share Percentage (see Scenario Directive on Page 3)	BENEFIT derived if the ComEd Share of PAST COSTS is changed to PROPOSED %	BENEFIT derived if the ComEd Share of FUTURE COSTS is changed to PROPOSED %
Sites TRANSFERRED to Nicor (with Current Share %)					
Aurora Hurds Island ~~~~~ 50%	4,770,652	5,017,606	48.269031	165,157	173,706
Belvidere ~~~~~ 50%	5,883,175	896,701	48.269038	203,671	31,043
Blue Island ~~~~~ 50 %	593,498	1,801,822	48.269076	20,546	62,376
Chicago Heights ~~~~~ 50%	256,721	665,925	48.269133	8,887	23,053
DeKalb ~~~~~ 50%	739,472	31,446	48.269035	25,600	1,089
Evanston ~~~~~ 50%	-	1,361,132	48.269000	-	47,122
Freeport ~~~~~ 50%	2,936,277	114,614	48.269033	101,652	3,968
Geneseo SV ~~~~~ 50%	652,109	18,878	48.269001	22,576	654
Joliet Station B ~~~~~ 50%	-	1,527,897	48.269000	-	52,896
Kankakee ~~~~~ 50%	2,830,141	6,500	48.269044	97,977	225
LaGrange ~~~~~ 50%	211,029	6,500	48.268958	7,306	225
Lincoln ~~~~~ 50%	-	1,554,713	48.269000	-	53,824
Lockport Alcan ~~~~~ 45%	711,262	2,041,538	48.269063	24,623	70,675
Lockport Alcan (B) ~~~~~ 100%	-	-	-	(21,722)	-
Lockport Canal ~~~~~ 50%	83,336	125,267	48.269055	2,885	4,337
Mendota Black Brothers ~ 50%	-	1,547,770	48.269000	-	53,584
Morris ~~~~~ 50%	712,749	545,361	48.269026	24,675	18,880
Morrison ~~~~~ 50%	202,973	341,220	48.268982	7,027	11,813
Ottawa School ~~~~~ 50%	2,734,538	102,293	48.269031	94,668	3,541
Pontiac ~~~~~ 50%	1,884,697	10,493	48.269032	65,247	363
Skokie ~~~~~ 50%	264,646	7,913,894	48.269008	9,162	273,978
Sterling NW Wire ~~~~~ 50%	-	1,654,686	48.269000	-	57,285
Streator ~~~~~ 50%	3,347,146	798,522	48.269033	115,876	27,644
Streator ~~~~~ 100%	700,000	-	48.269000	362,117	-
Total of sites transferred to Nicor (excludes Oak Park)	29,514,421	28,084,778		1,337,930	972,281
Oak Park ~~~~~ 50%	76,110,155	1,145,354	48.269037	2,634,876	39,651
Total of ALL sites transferred to Nicor	105,624,576	29,230,132	BENEFIT ==>	3,972,806	1,011,932

CAA 000003

Commonwealth Edison Company
Summary of Transferred and NON-Transferred Manufactured
Gas Plant Sites and the Estimated Benefit \ Cost Scenario

CONFIDENTIAL AND PRIVILEGED
 Attorney-Client Communication/Party Representative Work Product
 Self Critical Analysis/Self Evaluative Privilege

May 22, 2007

See Scenario Directive for Details

	PAST Expenditures Life-to-Date as of December 31, 2006 (A)	FUTURE COSTS 1/1/07 and After (from 2006 Study plus adjustments)	PROPOSED ComEd Share Percentage (see Scenario Directive on Page 3)	ADDITIONAL COST derived if the ComEd Share of PAST COSTS is changed to PROPOSED %	ADDITIONAL COST derived if the ComEd Share of FUTURE COSTS is changed to PROPOSED %
Sites NOT transferred to Nicor (with Current Share %)					
Aurora Excelsior (C) ~~~~ 50%	-	1,304,664	100	-	1,304,664
Dixon Church ~~~~~ 50%	132,152	770,496	100	132,152	770,496
Dixon River ~~~~~ 50%	55,282	1,732,731	100	55,282	1,732,731
DuQuoin Lumber ~~~~~ 50%	-	1,009,431	100	-	1,009,431
DuQuoin Walmart ~~~~~ 30%	411,109	3,900	100	411,109	3,900
DuQuoin Walmart ~~~~~ 100%	800,000	-	100	-	-
Elgin ~~~~~ 50%	-	1,360,144	100	-	1,360,144
Geneseo FNB ~~~~~ 50%	11,921	518,925	100	11,921	518,925
Joliet Bluff Street ~ 50%	1,030,717	2,065	100	1,029,822	2,065
Joliet Bluff Street ~ 100%	243,000	-	100	-	-
Kennitworth ~~~~~ 50%	836,296	6,500	100	836,296	6,500
Mendota Railroad ~~~~~ 50%	-	843,744	100	-	843,744
Murphyboro Big Muddy ~ 50% \ 42.5%	313,495	1,016,797	100	313,495	1,016,797
Murphyboro CIPS ~~~~~ 50% \ 42.5%	272,394	3,042,009	100	272,394	3,042,009
Ottawa Jims ~~~~~ 50%	553,405	57,128	100	553,405	57,128
Rockford Library ~~~~~ 50%	-	1,836,437	100	-	1,836,437
Rockford Commercial ~ 50%	356,932	4,745,938	100	356,932	4,745,938
Total of sites not transferred to Nicor	5,016,703	18,250,909	CHARGE ==>	3,972,808	18,250,909
Total of ALL Sites	110,641,279	47,481,041		-	17,238,977
ComEd's share (50%) of the "Common Program Costs" - (not site specific)	663,869			Net	Net CHARGE
ComEd's share of PAST COSTS (ALL Sites) "PLUS" Common Program Costs	111,305,148				

Scenario Directive - Based on a Dave Stahl request dated April 16, 2007 - Develop new percentages for Transferred sites due to the reconciliation process performed by ComEd and Nicor on the PAST costs as of December 31, 2006. ComEd will incur 100% of all costs on Non-transferred sites. Also, NO monies will pass hands for pre-January 1, 2007 expenditures.

NOTES:

(A) In April 2007, ComEd and Nicor reconciled the "Life-to-Date" PAST Costs as of December 31, 2006 - the amounts shown reflect the results of the reconciliation process.

(B) There was \$45,000 of past costs that Nicor had paid and had not requested a 50% reimbursement from ComEd. The \$21,722 CREDIT represents ComEd's portion of the \$45k.

(C) While this site is not currently in the Interim Agreement, ComEd and Nicor have discussed adding it (as a site not subject to final allocation limits).

General Notes - ComEd was granted an Environmental Cost Recovery Rider (Rider ECR) as part of the ICC's final order dated July 26, 2006. Rider ECR became effective on January 2, 2007.

ICC Docket 08-0418

**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 1.01 - 1.09
Dated August 29, 2008**

REQUEST NO. STAFF (TEE) - CE 1.02:

Referring to the Allocation referenced in Staff data request CE 1.01, what would be the amount of costs incurred by the Company if the percentage allocation had been in effect since the inception of remediation costs incurrence?

RESPONSE:

Under the arrangements in effect pursuant to the Interim Cooperative Agreement, ComEd incurred remediation costs of \$110,641,279 (exclusive of Program Costs) through December 31, 2006. Under the allocation set forth in the Final Allocation Agreement, ComEd would have incurred the same amount for that same time period.

Information concerning the person(s) responsible for providing the information requested in the above Data Request question is provided below:

Kevin Waden
Director of Accounting
(630) 437-2337

Peter McCauley
Senior Environmental Project Manager
(312) 394-4470

ICC Docket 08-0418

**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 1.01 - 1.09
Dated August 29, 2008**

REQUEST NO. STAFF (TEE) - CE 1.03:

What is the best projection of the future costs that will be incurred by ComEd and by Nicor Gas for these sites? Provide all assumptions made in determining that projection.

RESPONSE:

ComEd accounts for its liability related to MGP sites in accordance with the American Institute of Certified Public Accountants, Statement of Position 96-1, "Environmental Remediation Liabilities." ComEd coordinates the preparation of an annual MGP remediation study, which estimates the future environmental remediation costs for ComEd's 42 MGP sites. For the past several years, this annual study has been prepared by an independent third party consulting group having expertise in the analysis of environmental remediation costs. The annual MGP study is comprised of deterministic and probabilistic estimates. A deterministic methodology is used for sites where substantial information related to the actual course of remediation is available and a probabilistic methodology is used for sites with less certainty on actual remediation where management is still considering various options. The probabilistic methodology identifies a reasonably possible range of remedial alternatives and assigns probabilities of occurrence to each alternative. The majority of the estimate for future environmental remediation costs was derived through the probabilistic cost estimation model. The process involves a site-by-site evaluation that looks at all steps required to bring a site to regulatory closure. The most current estimate of future remediation costs is reflected in ComEd's SEC Form 10-Q for the quarterly period ended June 30, 2008 (attached hereto as STAFF (TEE) – CE 1.03_Attach 1). This disclosure reflects that as of June 30, 2008, ComEd had accrued \$70 million for the future remediation of its 42 former MGP sites, reflecting the cost allocations set forth in the Final Allocation Agreement. Included in this figure are costs in the approximate amount of \$4 million for remediation at four sites not in dispute with Nicor.

Information concerning the person(s) responsible for providing the information requested in the above Data Request question is provided below:

Kevin Waden
Director of Accounting
(630) 437-2337

Peter McCauley
Senior Environmental Project Manager
(312) 394-4470

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**EXELON CORPORATION AND SUBSIDIARY COMPANIES
EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES
COMMONWEALTH EDISON COMPANY AND SUBSIDIARY COMPANIES
PECO ENERGY COMPANY AND SUBSIDIARY COMPANIES**

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

being accounted for under the provisions of FIN 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others". The remaining exposures covered by these indemnities are anticipated to expire in 2008 and beyond. As of June 30, 2008, Exelon's accrued liabilities related to these indemnifications and guarantees were \$44 million. The estimated maximum possible exposure to Exelon related to the guarantees provided as part of the sales transaction to Dynegy was approximately \$175 million at June 30, 2008.

Indemnifications Related to Sale of Termoeléctrica del Golfo (TEG) and Termoeléctrica Peñoles (TEP) (Exelon and Generation)

On February 9, 2007, Tamuin International Inc. (TII), a wholly owned subsidiary of Generation, sold its 49.5% ownership interests in TEG and TEP to a subsidiary of AES Corporation for \$95 million in cash plus certain purchase price adjustments. In connection with the transaction, Generation entered into a guaranty agreement under which Generation guarantees the timely payment of TII's obligations to the subsidiary of AES Corporation pursuant to the terms of the purchase and sale agreement relating to the sale of TII's ownership interests. Generation would be required to perform in the event that TII does not pay any obligation covered by the guaranty that is not otherwise subject to a dispute resolution process. Generation's maximum obligation under the guaranty is \$95 million. Generation has not recorded a liability associated with this guarantee. The exposures covered by this guaranty are anticipated to expire in the second half of 2008 and beyond.

Environmental Liabilities

General (Exelon, Generation, ComEd and PECO)

The Registrants' operations have in the past and may in the future require substantial expenditures in order to comply with environmental laws. Additionally, under Federal and state environmental laws, the Registrants are generally liable for the costs of remediating environmental contamination of property now or formerly owned by them and of property contaminated by hazardous substances generated by them. The Registrants own or lease a number of real estate parcels, including parcels on which their operations or the operations of others may have resulted in contamination by substances that are considered hazardous under environmental laws. ComEd and PECO identified 42 and 27 sites, respectively, where former manufactured gas plant (MGP) activities have or may have resulted in actual site contamination. For almost all of these sites, ComEd or PECO is one of several Potentially Responsible Parties (PRPs), which may be responsible for ultimate remediation of each location. Of these 42 sites identified by ComEd, the Illinois Environmental Protection Agency has approved the clean up of nine sites and of the 27 sites identified by PECO, the Pennsylvania Department of Environmental Protection has approved the cleanup of 14 sites. Of the remaining sites identified by ComEd and PECO, 21 and nine sites, respectively, are currently under some degree of active study and/or remediation. ComEd and PECO anticipate that the majority of the remediation at these sites will continue through at least 2015 and 2013, respectively. In addition, the Registrants are currently involved in a number of proceedings relating to sites where hazardous substances have been deposited and may be subject to additional proceedings in the future.

ComEd and Nicor Gas Company, a subsidiary of Nicor Inc. (Nicor), are parties to an interim agreement under which they cooperate in remediation activities at 38 former MGP sites for which ComEd or Nicor, or both, may have responsibility. Under the interim agreement, costs are split evenly between ComEd and Nicor pending their final agreement on allocation of costs at each site. For most of the sites, the interim agreement contemplated that neither party would pay less than 20%, or more than 80% of the final costs for each site. On April 17, 2006,

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**EXELON CORPORATION AND SUBSIDIARY COMPANIES
EXELON GENERATION COMPANY, LLC AND SUBSIDIARY COMPANIES
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COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Nicor submitted a demand for arbitration of the cost allocation for the 38 MGP sites. In July 2007, ComEd and Nicor reached an agreement on the allocation of costs for the MGP sites. On January 3, 2008, ComEd and Nicor executed the definitive written agreement. The agreement is contingent upon ICC approval. Through June 30, 2008, ComEd has incurred approximately \$119 million associated with remediation of the sites in question. ComEd's accrual as of June 30, 2008 for these environmental liabilities reflects the cost allocations contemplated in the definitive agreement.

Based on the final order received in ComEd's 2005 Rate Case, beginning in 2007, ComEd is recovering MGP remediation costs from customers, through a rider, subject to periodic reconciliation. Such recovery is reflected as a regulatory asset. Pursuant to a PAPUC order, PECO is currently recovering costs for the remediation of former MGP facility sites, for which PECO has recorded a regulatory asset. See Note 13 — Supplemental Financial Information for further information regarding regulatory assets and liabilities.

As of June 30, 2008 and December 31, 2007, Exelon, Generation, ComEd and PECO had accrued the following amounts for environmental liabilities:

<u>June 30, 2008</u>	<u>Total Environmental Investigation and Remediation Reserve</u>	<u>Portion of Total Related to MGP Investigation and Remediation</u>
Exelon	\$ 128	\$ 107
Generation	13	—
ComEd	76	70
PECO	39	37
<u>December 31, 2007</u>	<u>Total Environmental Investigation and Remediation Reserve</u>	<u>Portion of Total Related to MGP Investigation and Remediation</u>
Exelon	\$ 132	\$ 110
Generation	14	—
ComEd	77	71
PECO	41	39

The Registrants cannot predict the extent to which they will incur other significant liabilities for additional investigation and remediation costs at these or additional sites identified by environmental agencies or others, or whether such costs may be recoverable from third parties, including customers.

Section 316(b) of the Clean Water Act (Exelon and Generation)

In July 2004, the United States Environmental Protection Agency (EPA) issued the final Phase II rule implementing Section 316(b) of the Clean Water Act. The Clean Water Act requires that the cooling water intake structures at electric power plants reflect the best technology available to minimize adverse environmental impacts. The Phase II rule established national performance standards for reducing entrainment and impingement of aquatic organisms at existing power plants. The rule provided each facility with a number of compliance options and permits site-specific variances based on a cost-benefit analysis. The requirements were intended to

ICC Docket 08-0418

**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 1.01 - 1.09
Dated August 29, 2008**

REQUEST NO. STAFF (TEE) - CE 1.04:

Will the Allocation result in increased costs for either utility over the remaining life of the remediation of the respective sites than would have occurred under the existing allocation?

RESPONSE:

The quarterly report referenced in the response to STAFF (TEE) - CE 1.03 estimates the "overall remediation cost" associated with each MGP site. ComEd's share of this overall estimate decreased on sites transferred to Nicor under the 1954 agreement from 50% to 48.27% and its share on sites not transferred to Nicor increased from 50% to 100%. ComEd anticipates it will pay approximately \$17.2 million more, through 2033, under the Final Allocation percentages than it anticipated it would have paid under the allocation provided for in the Interim Cooperative Agreement, but this does not impact the total overall estimated costs of remediation.

Information concerning the person(s) responsible for providing the information requested in the above Data Request question is provided below:

Kevin Waden
Director of Accounting
(630) 437-2337

Peter McCauley
Senior Environmental Project Manager
(312) 394-4470

ICC Docket 08-0418

**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 1.01 - 1.09
Dated August 29, 2008**

REQUEST NO. STAFF (TEE) - CE 1.05:

It is Staff's understanding that the Allocation was based on information as of December 2007. How does the 2008 remediation cost incurred impact the assumptions used to determine the Allocation?

RESPONSE:

The allocations reflected in the Final Allocation Agreement were based on costs incurred as of December 31, 2006. Because of the principles identified in the response to 1.01, had another date been selected, the Allocation very likely would have changed slightly. Actual remediation costs incurred *after* December 31, 2006 did not affect the assumptions used to determine the Allocation because the Allocation was derived in order to avoid reallocating costs incurred and allocated *before* that date.

Information concerning the person(s) responsible for providing the information requested in the above Data Request question is provided below:

Kevin Waden
Director of Accounting
(630) 437-2337

Peter McCauley
Senior Environmental Project Manager
(312) 394-4470

ICC Docket 08-0418

**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 1.01 - 1.09
Dated August 29, 2008**

REQUEST NO. STAFF (TEE) - CE 1.06:

Does the Company prefer an effective date for the Allocation to coincide with the calendar year used for the Rider ECR reconciliation? If the final order in this proceeding is not effective at year end, how does the Company propose account for mid-year costs?

RESPONSE:

ComEd prefers that approval of the Final Allocation Agreement be made effective as of the end of the calendar quarter next following the date of Commission approval of the Final Allocation Agreement. The allocations specified in the Final Allocation Agreement are effective as of January 1, 2007. The Final Allocation Agreement provides a mechanism by which any differences in (A) amounts paid between January 1, 2007 (under the Interim Cooperative Agreement) and the date the Final Allocation agreement becomes effective, and (B) amounts that would have been paid during that period had the Final Allocation Agreement been effective as of January 1, 2007, will be "trued-up."

Information concerning the person(s) responsible for providing the information requested in the above Data Request question is provided below:

Kevin Waden
Director of Accounting
(630) 437-2337

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(312) 394-4470

ICC Docket 08-0418

**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 1.01 - 1.09
Dated August 29, 2008**

REQUEST NO. STAFF (TEE) - CE 1.07:

The Agreement (Exhibit A to the Petition) at paragraph 2.3 discusses Program Costs continuing to be shared 50/50 between the utilities. Does the Company believe there will continue to be inter-company billings each year for those "shared" costs? Please explain why or why not.

RESPONSE:

Yes. ComEd believes that Program Costs, related to the overall MGP remediation program and not tied to a particular site(s), will continue to be incurred. If any inter-Company billings are issued in the future, they will be done so only to insure that ComEd and Nicor each bear only 50% of the Program Costs.

Information concerning the person(s) responsible for providing the information requested in the above Data Request question is provided below:

Peter McCauley
Senior Environmental Project Manager
(312) 394-4470

ICC Docket 08-0418

**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 1.01 - 1.09
Dated August 29, 2008**

REQUEST NO. STAFF (TEE) - CE 1.08:

The Agreement (Exhibit A to the Petition) at paragraph 2.2 states: ComEd will become the Coordinator/Utility at any and all Sites listed on Attachment B other than the Site described on Attachment B as 'MGP Site at Clinton and Jackson, Ottawa, Illinois'. Since Nicor is responsible for 0% of the shared costs with respect to the Sites listed on Attachment B, explain what party will be the Coordinator/Utility of the MGP Site at Clinton and Jackson, Ottawa, Illinois.

RESPONSE:

With respect to the Ottawa (Clinton and Jackson) Site, remediation is nearly complete and the final Remedial Action Completion Report is being drafted. As a result, ComEd and Nicor agreed that it would be more efficient for Nicor to remain as Coordinating Utility to finish closeout activities for this project.

Information concerning the person(s) responsible for providing the information requested in the above Data Request question is provided below:

Peter McCauley
Senior Environmental Project Manager
(312) 394-4470

ICC Docket 08-0418

**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 1.01 - 1.09
Dated August 29, 2008**

REQUEST NO. STAFF (TEE) - CE 1.09:

The Order in Docket No. 93-0431 which approved the Interim Cooperative Agreement ("ICA") discusses an interest component which would be available to the utility that is determined to have paid on an Interim basis more than its proportionate share of the final allocated costs. What is the Company's position with regard to this interest component?

RESPONSE:

Because, as stated in the response to STAFF (TEE) – CE 1.01, one underlying principle of the Final Allocation Agreement is that no dollars already paid on account of past costs should be reallocated between the parties, it was unnecessary to consider the payment of any interest.

Information concerning the person(s) responsible for providing the information requested in the above Data Request question is provided below:

David Stahl
Eimer Stahl Klevorn & Solberg LLP
Attorney for Commonwealth Edison Company
(312) 660-7602

**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 5.01 – 5.03**

Dated: November 6, 2008

REQUEST NO. STAFF (TEE) - CE 5.01:

Assume that in the future the Company incurs incremental environmental activity costs as that term is defined under the Company's Rider ECR at land near by or adjacent to sites listed on Attachment A to the Final Allocation Agreement, would the Company seek permission from the Commission to revise the Final Allocation Agreement? Please explain.

RESPONSE:

In the event that remediation of a site nearby or adjacent to an MGP site on Attachment A or Attachment B to the FAA would be considered incidental to remediation of the MGP site, the parties would perform such remediation and share the costs thereof in accordance with the applicable percentage specified in the FAA, and would not revise the FAA.

The person responsible for providing the information requested in the above data request is:

David Stahl
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**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 5.01 – 5.03
Dated: November 6, 2008**

REQUEST NO. STAFF (TEE) - CE 5.02:

Assume that in the future the Company incurs incremental environmental activity costs as that term is defined under the Company's Rider ECR at land near by or adjacent to sites listed on Attachment B to the Final Allocation Agreement, would the Company seek permission from the Commission to revise the Final Allocation Agreement? Please explain.

RESPONSE:

See Response to 5.01.

The person responsible for providing the information requested in the above data request is:

David Stahl
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Attorney for Commonwealth Edison Company
(312) 660-7602

**Commonwealth Edison Company's Response to
Staff's (TEE) Data Requests CE 5.01 – 5.03
Dated: November 6, 2008**

REQUEST NO. STAFF (TEE) - CE 5.03:

Has the Company determined in the past that it was liable for remediation of land nearby or adjacent to a current MGP site? If so, what if anything, did the Company do in order to include the costs of remediation of that site under its environmental rider?

RESPONSE:

It would not be unusual for the Company to have been required to remediate nearby or adjacent property as an incident to remediation of an MGP site, inasmuch as contaminants are not constrained by the boundaries of property lines. The EPA would not allow the Company to neglect to remediate such adjacent or nearby property simply on grounds that the property itself was not an MGP site. In terms of what is flowed through Rider ECR, ComEd does not break out or separately identify any portion of costs that would be attributable solely to remediation of such nearby or adjacent property.

The person responsible for providing the information requested in the above data request is:

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