DIRECT TESTIMONY

of

THERESA EBREY

Accountant
Accounting Department
Financial Analysis Division
Illinois Commerce Commission

Commonwealth Edison Company

Proposed General Increase in Electric Rates

Docket No. 10-0467

October 26, 2010

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1 Witness Identification

2 Q. Please state your name and business address.

3 A. My name is Theresa Ebrey. My business address is 527 East Capitol Avenue,
4 Springfield, Illinois 62701.

5 Q. By whom are you employed and in what capacity?

6 A. I am currently employed as an Accountant in the Accounting Department of the
7 Financial Analysis Division of the Illinois Commerce Commission ("ICC" or
8 "Commission").

9 Q. Please describe your professional background and affiliations.

10 A. I have a Bachelor of Science degree in Accounting from Quincy College. I am a
11 Certified Public Accountant, licensed to practice in the State of Illinois. My prior
12 accounting experience includes fifteen years as the corporate controller of a
13 large long-term care facility in Illinois, as well as a period of time employed as an
14 outside auditor of governmental agencies. I joined the Staff of the Illinois
15 Commerce Commission ("Staff") in April 1999.

16 Q. Have you previously testified before any regulatory bodies?

17 A. Yes. I have testified on several occasions before the Commission.

18 Q. What is the purpose of your testimony in this proceeding?

19 A. I have reviewed and analyzed Commonwealth Edison Company's ("ComEd" or
20 "Company") filing, and the underlying data.

21 The purpose of my testimony is to:

22 1. Present the Commission Staff's adjusted Statement of Operating
23 Income and Rate Base for the Company's utility operations;
24 2. Propose adjustments to the Statement of Operating Income and
25 Rate Base concerning Interest Synchronization, Pro Forma Plant
26 Additions, PORCB Project costs, and Underground Cable Costs;
27 3. Present the schedule reflecting the adjustments to the Statement of
28 Operating Income and Rate Base proposed by Staff witness
29 Rockrohr for the disallowance of Project ITN # 37977; and
30 4. Recommend language for an Original Cost Determination.

31 Schedule Identification

32 Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 1.0?

33 A. Yes. I am sponsoring the following schedules for the Company, which shows
34 data as of, or for the test year ending December 31, 2009:

35 Revenue Requirement Schedules

36 Schedule 1.01 Statement of Operating Income with Adjustments
37 Schedule 1.02 Adjustments to Operating Income
38 Schedule 1.03 Rate Base
39 Schedule 1.04 Adjustments to Rate Base
40 Schedule 1.05 Revenue Effect of Adjustments
41 Schedule 1.06 Interest Synchronization Adjustment

Schedule 1.07 Gross Revenue Conversion Factor

Adjustment Schedules

Schedule 1.08 Adjustment to Pro Forma Plant Additions

Schedule 1.09 Adjustment for PORCB Project Costs

Schedule 1.10 Adjustment for Underground Cable Costs

Schedule 1.11 Project ITN # 37977 Adjustment

Revenue Requirement Schedules

Q. Please describe Schedule 1.01, Statement of Operating Income with Adjustments.

A. Schedule 1.01 derives the required revenue at the Staff proposed Rate of Return with Staff's proposed adjustments. Column (b) presents the Company's pro forma operating statement at present rates for the test year as reflected on its Schedule C-1. Column (c) reflects the total of all Staff Adjustments shown on Schedule 1.02. Column (d) reflects the pro forma operating statement at present rates per Staff. Column (e) presents the Company's Proposed Increase to Revenue. Column (f) adjusts revenue to reflect Staff's Gross Revenue Conversion Factor. Column (g) is Staff's pro forma operating statement inclusive of the Company's proposed revenue increase. Column (h) is the necessary change to the Company's proposed revenues, adjusted for Staff's Gross Revenue Conversion Factor, to arrive at Staff's computed Revenue Requirement reflected in column (i). Line 26 is the difference between current revenues and required revenues as determined by Staff. Line 27 is Staff's calculated

percentage change in revenues. Net Operating Income in column (i), line 23, is the product of Rate Base, line 24, and Rate of Return, line 25.

Q. Please describe Schedule 1.02, Adjustments to Operating Income.

A. Schedule 1.02 identifies Staff's adjustments to Operating Income. The source of each adjustment is shown in the heading of each column. Column (ag) from page 4 is carried forward to Schedule 1.01, column (c).

Q. Please describe Schedule 1.03, Rate Base.

A. Schedule 1.03 compiles Staff's proposed Rate Base. Column (b) reflects the Company's proposed Rate Base. Column (c) summarizes Staff's adjustments to Rate Base. Column (d) is the net of columns (b) and (c), and reflects Staff's computed Rate Base.

Q. Please describe Schedule 1.04, Adjustments to Rate Base.

A. Schedule 1.04 identifies Staff's adjustments to Rate Base. The source of each adjustment is shown in the heading of each column. Column (q) from page 2 is carried forward to Schedule 1.03, column (c).

<u>Revenue Effect of Adjustments</u>

Q. What is the purpose of Schedule 1.05, Revenue Effect of Adjustments?

A. Schedule 1.05 identifies the approximate effect of each Staff adjustment on the Company's revenue requirement. Schedule 1.05 is not the development of

83 Staff's revenue requirement. Rather, it is an analysis that is intended to assist in
84 identifying the relative monetary significance of each Staff adjustment.

85 Interest Synchronization

86 Q. Please describe Schedule 1.06, Interest Synchronization Adjustment.

87 A. Schedule 1.06 computes the interest component of the Revenue Requirement.
88 The Interest Expense (component) is computed by multiplying the Rate Base by
89 Staff's proposed Weighted Cost of Debt. The calculated Interest Expense is then
90 compared against the Interest Expense used by the Company in its computation
91 of test year Income Tax Expense. The tax effect of the difference in Interest
92 Expense is the adjustment for Interest Synchronization. The effect of this
93 adjustment is to ensure that the Revenue Requirement reflects the tax savings
94 generated by the interest component of Revenue Requirement.

95 Gross Revenue Conversion Factor

96 Q. Please describe Schedule 1.07, Gross Revenue Conversion Factor.

97 A. Schedule 1.07 presents Staff's proposed Gross Revenue Conversion Factor
98 ("GRCF"). The GRCF is applied to the operating income deficiency to derive the
99 change in Revenue Requirement. It is based upon the applicable federal tax
100 rate, State income tax rate, and Staff's uncollectibles rate. The GRCF is used in
101 the calculation of the Revenue Requirement in columns (f) through (h) of
102 Schedule 1.01.

Pro Forma Plant Additions

Q. Please describe Schedule 1.08, Adjustment to Pro Forma Plant Additions.

A. Schedule 1.08 presents my adjustment to pro forma plant additions. My adjustment is two-fold. First, it allows as known and measurable only those plant additions actually in service or expected to be in service by September 30, 2010, rather than through June 30, 2011 as ComEd proposes. Second, my adjustment also reflects the contemporaneous decreases in rate base from continuing accumulated depreciation and the related accumulated deferred income taxes ("ADIT") so the rate base investment is not overstated.

Q. Explain by what authority the "known and measurable" standard is applicable in the instant proceeding.

A. ComEd filed an historical test year ending with December 31, 2009. 83 Ill. Adm. Code 287.40, Pro Forma Adjustments to Historical Test Year Data, sets forth the known and measurable criteria that apply to a general rate increase:

> A utility may propose pro forma adjustments (estimated or calculated adjustments made in the same context and format in which the affected information was provided) to the selected historical test year <u>for all known and measurable changes</u> in the operating results of the test year. These adjustments shall reflect changes affecting the ratepayers in plant investment, operating revenues, expenses, and cost of capital where such changes occurred during the selected historical test year or are reasonably certain to occur subsequent to the historical test year within 12 months after the filing date of the tariffs and where the amounts of the changes are determinable. Attrition or inflation factors shall not be substituted for a specific study of individual capital, revenue, and expense components. Any proposed known and measurable adjustment to the test year shall be individually identified and supported in the direct testimony of the utility. Each adjustment shall be submitted according to the standard information requirement schedules prescribed in 83 Ill. Adm. Code 285. (Emphasis added)

Q. Explain how you applied the known and measurable criteria in your review of the proposed pro forma plant additions.

A. The known and measurable criteria consist of two separate components that must be considered in tandem, i.e., an adjustment must be both known and measurable.

First, the adjustment must be "known" which Section 287.40 defines as having "occurred during the selected historical test year or are *reasonably certain* to occur subsequent to the historical test year within 12 months after the filing date of the tariffs." An adjustment may be measurable but not be known, as in the instance where a company has budgeted a defined dollar amount for capital projects, yet the specific projects to be completed are subject to change either in scope or timing and cannot be determined with reasonable certainty.

Second, the amount of the pro forma adjustment must be "determinable." An adjustment may be known but not be measurable, as in the instance where a company knows that projects are needed, but at the time, it cannot quantify them with reasonable certainty. Thus, when a project is known to be necessary but it has not been completed, the evidence must be evaluated as to whether or not the project meets both the known and measurable criteria.

Q. Please explain why ComEd's pro forma adjustment for plant additions through June 30, 2011 does not reflect a known and measurable change.

A. The projects ComEd reflected in its pro forma adjustment are based on budgets. ComEd witness Donnelly asserts that the pro forma additions are not based on

budgets.[1] However, the Company's response to Staff data request ME 1.07 indicates that many of the projects are in fact based on budgets.[2] While a budget might reflect ComEd's best estimate at this time, it is subject to contingencies that could cause the amount and timing of the projects to change. Furthermore, the Company uses what it calls a "checkbook" approach which "ensures funding exists for unbudgeted newly identified work prior to the work being executed."[3] ComEd's commitment to spend a given total amount through some point in time on a variety of projects does not establish that each of those projects is known and measurable. For example, the Company explains how approved funding is transferred between projects as new unique projects "emerge during the year."[4] Even the Company's detail for the pro forma adjustment includes negative amounts indicating that the specific projects may or may not occur.[5] These descriptions of the processes behind the detail of the pro forma plant additions do not support the Company's assertion that the pro forma plant additions adjustment is known and measurable.

Q. Doesn't your evaluation of projects in service by the end of the third quarter 2010 indicate that the Company's projection for the 18 months ending June 2011 will occur?

[1] ComEd Ex. 8.0, p. 52, lines 1099 – 1101.
[2] Attachment A, Company response to Staff data request ME 1.07.
[3] Attachment B, Company response to Staff data request TEE 5.03
[4] Attachment C, Company response to Staff data request TEE 3.07 and Attachment D, Company response to Staff data request TEE 3.08.
[5] Attachment E, Company response to Staff data request TEE 5.05.

A. Not necessarily. The *value* for projects placed in service as of September 30, 2010 is approximately half of the total amount projected for the 18 month period ending June 2011. That outcome is expected based on the Company's explanation of its checkbook approach, i.e., as projects are identified, the funds are transferred from lower priority projects to higher priority projects. However, the projects that were anticipated by the June 2011 projection may or may not be placed in service. Simply committing to spend a given amount of money on capital projects in itself does not meet the known and measurable criteria for a pro forma plant addition to an historical test year.

Q. Please explain.

A. In addition to being *measurable*, the pro forma projects must be *known*. Staff's review of pro forma adjustments includes not only an analysis of funds expected to be spent but also evaluates whether the project is "used and useful" and has been prudently incurred. Without the project being specifically identified, those reviews cannot occur. Staff witness Rockrohr discusses those reviews more fully in his testimony.[6]

Q. Didn't the Company specifically identify projects in its Part 285 filing schedules and workpapers?

A. Yes, the Company did provide an extensive listing of projects; however, changes have already occurred within just the 3 ½ months since the filing was made.

[6] Staff Ex. 6.0, pp. 5-6, lines 99 – 146.

193 Although no specific reason was given, over $12 million of projects included in
194 the initial pro forma adjustment have already slipped past the 12-month window
195 for inclusion in the pro forma adjustment.[7] Furthermore, a comparison of plant in
196 service provided with the initial filing and the update provided in response to Staff
197 data request TEE 3.05[8] shows that most of the categories have changed
198 anywhere from a 37.89% decrease to an 81.22 % increase with one completely
199 new category that was not included in the initial filing. While this comparison
200 shows that the total net variation in June 30, 2011 projected jurisdictional plant in
201 service is under 0.5% since the initial filing, the variation in the individual
202 categories establishes that the estimates are not known and measurable. Under
203 these circumstances, no party can thoroughly conduct a used and useful analysis
204 or prudence review in order to determine whether it should recommend adopting
205 the pro forma adjustment as proposed by the Company.

206 Q. Please explain why your adjustment also reflects the contemporaneous
207 decreases in rate base from continuing accumulated depreciation and the related
208 accumulated deferred income taxes ("ADIT").

209 A. My adjustment reflects accumulated depreciation and associated ADIT on
210 December 31, 2009 embedded plant through September 2010, the date for
211 which I propose pro forma plant additions be accepted. Recognizing increases in
212 rate base without recognizing the contemporaneous offsetting decreases in the
213 value of existing investment, as ComEd proposes to do, would overstate rate

[7] Company response to Staff data request TEE 3.04.
[8] Attachment F.

214 base. Stated another way, allowing the Company to raise rates based upon
215 anticipated new plant but not giving ratepayers the benefit of decreasing rate
216 base on existing plant due to depreciation of that existing plant for that same
217 period of time would result in an overstatement of rate base and accordingly over
218 stated rates.

219 Q. How does your accumulated depreciation proposal compare to prior Commission
220 decisions on this issue?

221 A. A review of various Commission Orders demonstrates that the Commission has
222 reached various conclusions about this issue based on the record in each of
223 those cases. In the following cases, the Commission rolled forward the
224 accumulated depreciation reserve on embedded plant to coincide with the date of
225 pro forma plant additions.

226 - In Utilities Inc. Docket Nos. 09-0548/09-0549 Cons., the Commission
227 approved the adjustment to reflect the increase in accumulated depreciation
228 during the post-test year time period.[9]

229 - In Illinois Gas Docket No. 08-0482, the Commission approved the utility's
230 proposal to reflect an accumulated depreciation amount measured as of the
231 same period as the proposed pro forma plant additions.[10]

[9] Order, September 9, 2010, Docket Nos. 09-0548 - 09-0549 (Cons.), pp 4 – 5.
[10] Docket No. 08-0482, Company Exhibit LAU01, p. 4, lines 79 – 86, Exhibit LAU06, and Exhibit LAU07. Staff did not propose an adjustment to the Company's proposed pro forma adjustment. The Order entered on May 13, 2009 approved the Rate Base which reflected the Company's adjustment (Order, p. 5).

232 ○ In the AmerenUE Dockets Nos. 02-0798, 03-0008, and 03-0009 (Consolidated),
233 the Commission included post-test year plant additions only to the extent that
234 they exceeded the increases in the accumulated depreciation reserve for that
235 same time period[11] which reduced the pro forma plant additions by the
236 accumulated depreciation on embedded plant.

237 ○ In Inter-State Water Company Docket No. 94-0270, the Commission accepted
238 adjustments to the accumulated depreciation reserve and ADIT on embedded
239 plant through the date of pro forma plant additions stating that the adjustments
240 are of a type which the Commission has consistently made.[12]

241 ○ In Inter-State Water Company Docket No. 85-0166, the Commission allowed
242 pro forma plant additions only through the date for which accumulated
243 depreciation on embedded plant was reflected in the record.[13]

244 ○ In Alton Water Company Docket No. 83-0433, the Commission included the
245 increase in the accumulated depreciation reserve and ADIT that occurred after
246 the test year for the period for which pro forma plant additions were included.[14]

247 Q. How does ComEd address this issue in its direct testimony?

248 A. ComEd witness Houtsma, in addressing the issue of accumulated depreciation
249 on embedded plant, states:

[11] Order, October 22, 2003, Docket Nos. 02-0278, 03-00008, and 03-0009 (Cons.), pp. 10-11; Order on Rehearing, May 25, 2004, Docket Nos. 02-0278, 03-00008, and 03-0009 (Cons.), pp. 1 and 7.
[12] Order, April 19, 1995, Docket No. 94-0270, p. 14.
[13] Order, February 26, 1986, Docket No. 85-0166, p. 5.
[14] Order, May 30, 1984, Docket Nos. 83-0433 and 84-0052 (Cons.), p. 12.

> No one would suggest that depreciation on this test year plant should be "brought forward" to the end of June 2011 if we were *not* seeking to include *pro forma* investments, and it does not appear logical to "update" depreciation on one category of plant just because another category of plant is being reflected in rates (net of depreciation on that plant.)[15] (emphasis not added)

Q. How do you respond to ComEd witness Houtsma's statement?

A. ComEd runs afoul of its own criticism by updating one category of plant investment while ignoring changes in others. By ignoring the impacts on the other plant related items of rate base resulting from the forward looking plant adjustment, ComEd overstates total rate base. ComEd's argument regarding the plant additions expected through 2014[16] likewise ignores the fact that other components of rate base will change over the same period of time. As I stated previously, allowing the Company to raise rates based upon anticipated new plant but not giving ratepayers the benefit of decreasing rate base on existing plant due to depreciation of that existing plant for that same time period would result in an overstatement of rate base and accordingly over stated rates.

Also, while I am not an attorney, my understanding is that a recent Appellate Court decision takes issue with the very approach ComEd proposes here:

> We conclude that the Commission miscalculated the value of the plant investment by recognizing increases in rate base investment value due to post-test-year additions without recognizing contemporaneous offsetting decreases in the value of that investment attributable to ongoing depreciation. Section 9--211 essentially requires the Commission to ensure that a utility's approved rate base does not exceed the investment value that the utility actually uses to provide service. The measure of the

[15] ComEd Ex. 6.0, p. 11, lines 214 – 218.
[16] *Id.*, p. 12, lines 234 – 239.

> amount of investment so dedicated must account for both increases and decreases over a consistent period. Under section 9--211, contemporaneous increases and decreases to rate base are not severable items that can be given disparate treatments. The utility's plant in service and net plant are opposing sides of a coin. The Commission approved a rate base that exceeds the investment value Corn Ed actually dedicates to utility services. The approval of excess rate base violates section 9--211 by overstating Corn Ed's revenue requirement.[17]

Q. How do you recommend that the issue of accumulated depreciation on embedded plant should be addressed in this case?

A. A proposed adjustment to the accumulated depreciation reserve should be evaluated in light of the facts and circumstances of each individual case. A determination needs to be made on whether a particular proposal will overstate rate base. This approach is consistent with that taken by the Commission in determining the need for adjustments to the accumulated depreciation reserve in the past, basing its conclusion on the accumulated depreciation reserve on the record of each individual case rather than on an over-arching conclusion that is applied across all cases. For example, in the rate cases of the current Ameren Illinois Utilities over the last 10 years, when the Company included only limited projects in its pro forma plant adjustment, the issue of accumulated depreciation on embedded plant was not raised; the Company was not rolling forward its plant balances. However, when an aggressive position regarding the level of projects included in the pro forma plant adjustment was taken, the Commission did find that the accumulated depreciation reserve for all embedded plant should likewise be rolled forward to the pro forma period.

[17] Commonwealth Edison Co. v. Ill. Commerce Comm'n, 2010 Ill.App. LEXIS 1057 (Ill.App.Ct. 2d Dist. Sept. 30, 2010) at 33-34.

In its conclusion in an Inter-State Water Company rate case, the Commission stated the following with respect to accumulated depreciation reserve adjustments:

> The adjustments are also adjustments of a type which the Commission has consistently approved in conjunction with plant-in-service adjustments to historical test years in past cases.[18]

Earlier cases reached the same conclusion: related adjustments to depreciation reserve and accumulated deferred tax balances are "appropriate and necessary"[19] and plant-in-service adjustment and adjustment to accumulated reserve for depreciation should be made through the same date.[20]

PORCB Project Costs

Q. Please describe Schedule 1.09, Adjustment to PORCB[21] Project Costs.

A. Schedule 1.09 presents my adjustment to remove costs associated with the Company's PORCB Project from the revenue requirement. Section 16-118(c) and (d) of the Public Utilities Act ("Act") provides for the recovery of prudently incurred costs associated with these programs through tariffs filed pursuant to those sections. Nothing in the Act establishing these programs provides for recovery of these costs through base rates; thus, they are not appropriate for inclusion in the revenue requirement.

Q. How does the Company address the recovery of PORCB costs in its testimony?

[18] Order, Docket No. 94-0279, April 19, 1995, p. 14.
[19] Order, Alton Water Company Docket No. 83-0433, May 30, 1984, p. 12.
[20] Order, Inter-State Water Company Docket No. 85-0166, February 26, 1986, p. 5.
[21] Purchase of Receivables – Consolidated Billing Program currently pending in Docket No. 10-0138.

A. Company witness Marquez states:

> The amounts for this project are currently sought to be recovered by ComEd in its proposed Rider PORCB. If ComEd is successful in that regard, then the amounts will be removed from rate base for purposes of determining the revenue requirement.[22]

Since the Company has already included these same costs under its Rider PORCB proposal, it is inappropriate to also include them for recovery under the rate case. While no evaluation of the specific costs to be recovered will occur until a reconciliation proceeding after the First Application Period under Rider PORCB[23], there is no way to determine prior to the conclusion of the rate case if specific costs are allowed for recovery under the Rider. The Commission should not approve recovery of costs in the rate case which will not even be considered under the Rider until the summer of 2014.

<u>Underground Cable Costs</u>

Q. Please describe Schedule 1.10, Adjustment to Underground Cable Costs.

A. Schedule 1.10 presents my adjustment to remove certain underground cable costs. The Company has included $18.7 million for underground cable costs in its pro forma adjustment to plant in service[24] that were previously disallowed by the Commission in Docket No. 07-0566. My adjustment reflects the Commission's disallowance of $18.7 million from the 07-0566 docket.

[22] ComEd Ex. 10.0, p. 28, lines 576 – 579.
[23] Per the proposed Rider PORCB this reconciliation will not occur until 150 days after the First Application Period which will end December 31, 2013.
[24] ComEd workpaper WPB-2.1d.

341 Project ITN # 37977

342 Q. Please describe Schedule 1.11, Project ITN # 37977 Adjustment.

343 A. Schedule 1.11 presents the adjustments to distribution plant in service,
344 depreciation expense, accumulated depreciation and ADIT to reflect the
345 disallowance of Project ITN # 37977 as recommended in the Direct Testimony of
346 Staff witness Rockrohr.[25]

347 Original Cost Determination

348 Q. Does the Company request an original cost finding in this proceeding?

349 A. Yes. Company witness Houtsma states:

350 ComEd requests that the Commission approve the original cost of plant in
351 service as of December 31, 2009, before adjustments, of
352 $13,932,447,000.[26]

353 Q. What is your recommendation for an original cost determination?

354 A. I recommend that the Commission make an Original Cost determination in its
355 order. Requirements for preservation of records are associated with an original
356 cost determination. Appendix A to 83 Ill. Adm. Code 420, The Preservation of
357 Records of Electric Utilities, contains requirements for the preservation of specific
358 records. For example, journal vouchers and journal entries which support plant
359 accounts are to be maintained "7 years prior to date as of which original cost of

[25] Staff Ex. 6.0, pp. 7-8, lines 170-175.
[26] ComEd Ex. 6.0, p. 23, lines 467 – 468.

plant has been unconditionally determined or approved by the Commission in" an original cost determination proceeding or a rate case. Thus, such a finding is necessary for setting the timeframe for preservation of records.

However, I disagree with the amount proposed by the Company. I have reviewed the Company's Schedule B-1 reflecting an original cost of plant at December 31, 2009, of $13,932,447,000 that the Company proposes, the Historic Jurisdictional Delivery Services Plant in Service before considering Pro Forma adjustments. However, adjustments to historic plant approved in the Final Order should be reflected in the amount to be included as the Original Cost of Plant in Service. Schedule 1.12 reflects those adjustments proposed by Staff in direct testimony for illustrative purposes.

Q. What do you recommend for an Original Cost Finding in the Final Order?

A. I recommend that the Commission include the following provision in this proceeding's Order:

> It is further ordered that the $13,913,402 original cost of plant at December 31, 2009, reflected on Staff Schedule 1.12 is unconditionally approved as the original cost of plant.

The actual dollar amount in the finding paragraph should reflect the historic plant as of December 31, 2009 as approved in the Final Order in this proceeding.

<u>Conclusion</u>

Q. Does this question end your prepared direct testimony?

A. Yes.

ICC Docket No. 10-0467

Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
ME 1.01 – 1.08
Dated: July 23, 2010

REQUEST NO. ME 1.07:

Please provide a table or spreadsheet that (i) lists each of ComEd's blanket programs for which it included an amount as a pro forma adjustment to rate base within its filing, (ii) shows the amount of ComEd's total actual expenditures in each of these blanket programs during each calendar year 2005 to present, and (iii) shows the amount of the proposed pro forma adjustment for each blanket program included in the instant rate case filing.

a. For each blanket program listed, explain in detail how ComEd determined the amount to be included as the pro forma adjustment.

b. State why ComEd believes its calculation of pro forma adjustments provides an expenditure amount for each blanket program that is known and measureable.

c. List each project under each blanket program that ComEd plans to recover in the instant rate case.

d. For the projects listed in part c, please provide any engineering studies that were used to evaluate the need for each project including power flow diagrams, if applicable.

RESPONSE:

i. Please refer to ME 1.07_Attach 1.

ii. Please refer to ME 1.07_Attach 2. Note that the expenditures shown in ME 1.07_Attach 2 are the full amounts spent and are not jurisdictional distribution plant.

iii. Please refer to ME 1.07_Attach 1

a. Please refer to ME 1.07_Attach 3 (CONFIDENTIAL & PROPRIETARY) and ME 1.07_Attach 3 (PUBLIC)

b. ComEd's blanket programs cover a variety of routine day-to-day work that is required to maintain the distribution system such as emergent pole replacements, repairing cable faults, and transformer purchases. Blanket programs also include reliability improvement work such as mid-circuit reclosers, replacing poor performing cable and worst performing circuits, and providing new services required by customers. The vast majority of the core work covered by blankets must be completed in order to operate the distribution system and maintain service to our customers. As Mr. McMahan previously testified,[1] a blanket program is a way of managing and tracking

> … a high volume of individually minor or low-cost tasks that are similar to one another, repetitious, and performed continuously. Much of the core

[1] *Commonwealth Edison Co.*, ICC Docket No. 07-0566, ComEd Ex. 5 at lines 112-120.

> work on the electric distribution system is low-cost, high-volume, routine-type work that is repetitious in nature and performed consistently throughout the year.

Because blanket work is, by its very nature, repetitive, work under blankets during the pro forma period can be accurately predicted in the aggregate based on the level of current work and investment and the underlying service needs driving the work.

Moreover, the fact that this work is conducted under unified blanket programs aids in the planning process. As Mr. McMahan testified, managing this type of work within blankets further "improves planning and budgeting and allows us to better analyze problems, opportunities, trends, and other attributes of the work …."[2] Relevant managers involved with categories of blanket projects participate in challenge, operational, and finance meetings with each other and with ComEd Finance personnel and senior executives. The results of these meetings allow ComEd to incorporate any adjustments to reflect specific resourcing strategies, initiatives, or challenges relating to the blankets. ComEd also notes that the process for forecasting New Business activity has also been enhanced and is no longer based solely on historical performance, but on an appropriate consideration of other economic factors.

For all these reasons, reasonable certainty concerning both the timing and cost of blanket program expenditures can be achieved. ComEd's testimony and schedules reflect that level of certainty.

c. ComEd does not perform project work, large unique jobs, under blanket programs. ComEd is interpreting that the intended request is for the blanket program descriptions and blanket project charging identifications. Please refer to ME 1.07_Attach 4.

d. ComEd does not typically perform individual engineering studies for low-cost, high-volume, routine-type work that is repetitious in nature and performed continuously. ComEd may issue a project diagram, from ComEd's Distribution Planning department, if multiple small jobs cause a feeder to be above the allowable ratings. Locating and producing all engineering documents relating to literally thousands of work items would be unreasonably burdensome and because of the immaterial size of any work item would not be reasonably calculated to lead to the discovery of relevant and admissible evidence.

[2] McMahan Dir., ComEd Ex. 9, at lines 133-40.

ITN Description	How ComEd Determined the Amount to be Included as the pro-forma Adjustment?
(blank)	These are costs related to EPS projects not tied to ITN's, in this case for General Plant projects for IT projects; this ITN should have a budgeted amount of $0M.
ComEd Orphan	These are costs related to EPS projects not tied to ITN's, in this case for General Plant projects for IT projects; this ITN should have a budgeted amount of $0M.
10104: Back Office: ComEd: Electric	This ITN is the residual amount for allocation of overheads related to Engineering and Management oversight of work related to Operations; this should have a budgeted amount of $0.
10622: CE-Overhead Distribution Defect Repairs	The budget was based on the two-year average of historical hours expended on Priority 10 and 20 work items (emergent work). An additional 10,000 hours were added to the budget to support facility protection activities. The material budget for the ITN incorporated a projected supply savings.
10623: CE-Dist Cable Fault Repair	The budget was based on the two-year average of historical hours expended on cable faults. In addition to budgeting for the faults to be repaired by ComEd, funds were budgeted for some cable fault repairs to be performed by a turn-key contractor. All emergent faults were to be completed by internal ComEd resources. In specific areas, all non-emergent faults were to be completed by a turn-key contractor. The material budget for the ITN mirrored that of the 2009 budget less a projected supply savings.
10624: CE-Underground Distribution Defect Repairs	The pro-forma budget mirrored the 2009 budget which was based on the two-year average of historical hours expended on underground defects. Included in the budget was an internal challenge to reduce the ITN spend from 2008 levels by performing the following actions: reducing the number proactive leaker repairs performed in the city of Chicago and reducing the amount of Priority 30 and 40 tasks performed outside the city of Chicago. The material budget for the ITN mirrored that of the 2009 budget less a projected supply savings.
10629: CE-Damage Claims	This budget was based on the 2008 actual recovered dollars from reimbursable damage to ComEd property, such as dig-ins to underground cable, public damage to broken poles, switchgears, etc..
11607: Direct Support: Cor Maint: ComEd: Electric	This ITN was created to budget, based upon history, the engineering time spent designing or analyzing work tied to the ITN's in the Corrective Maintenance category. This ITN is for budgeting purposes only and all engineering time will be charged to the actual ITN that the work was performed.
11161: ICC 1% Worst Performing Circuit Program	1% circuits are identified each year then inspected and reviewed by engineering. Engineering analysis is applied to the findings and work is identified to address the cause of the problem. Budgeted based on historical costs; for 2011 approximately $29,500 per circuit in direct costs (not fully loaded).
17182:CE-Line Clearance Backlog Mitigation for LRP	This is a programmatic ITN designed to limit the opportunity for electrical contact by the public and limit the contact between facilities. The 2010 budget (hours and materials) was designed to perform 110 clearances. Historical average cost per completion was also used to determine the budget.
19262: ComEd Facility Relocation Baseline Work	ComEd is required either by franchise agreement with municipalities or by permit agreements for facilities installed in public rights of way to relocate at its expense when ComEd facilities conflict with improvements by the agency that owns the right of way. Our annual baseline ITN 19262 ComEd Facility Relocation Baseline Work is for projects where ComEd relocation costs are under $100k. ComEd budgets for this ITN based on an average historical spend. The pro-forma amount recognizes the fact that ComEd continues to have obligations to relocate facilities as requested at a steady amount over time and covers all relocation request from any agency. As such, it is not highly variable from year to year since changes in the funding level of transportation projects among all agencies does not typically vary much. The actual costs for the relocation blanket program is known and measurable through historical specific jobs.
20543: CE-Dist Emergency Cable Fault Replacement	The budget was based on the two-year average of historical hours expended on cable replacements. The material budget for the ITN mirrored that of the 2009 budget less a projected supply savings.
21402: ComEd Fleet ITN	The budget for the fleet ITN is created based on the number and types of vehicles to be purchased.
22326: ComEd Capital Management Challenge	This ITN is a placeholder for unidentified reductions in the work plan related to efficiency, project savings and project timing versus Budget.
24142: CE Distrib Transformers-Capacity Expansion	The budget is trended based on pricing, economic factors, and the potential for emergent weather. In addition, the volume of transformers purchased the previous year influences the budget for the following year. In the case of the 2010 budget, an adjustment was made to account for the reduced number of transformers purchased in 2009 due to the cooler weather.
24143: CE Distrib Transformers-New Business	The budget is trended based on pricing, economic factors, and the potential for emergent weather. In addition, the volume of transformers purchased the previous year influences the budget for the following year. In the case of the 2010 budget, an adjustment was made to account for the reduced number of transformers purchased in 2009 due to the cooler weather.
24144: CE Distrib Transformers-System Performance	The budget is trended based on pricing, economic factors, and the potential for emergent weather. In addition, the volume of transformers purchased the previous year influences the budget for the following year. In the case of the 2010 budget, an adjustment was made to account for the reduced number of transformers purchased in 2009 due to the cooler weather.
29238 : Regional Reliability Imprvmnts - West	The program identifies improvements for both SAIFI and customer satisfaction. Regional reliability councils provide ongoing recommendations to resolve areas/devices experiencing repeated outages. REDACTED address customers with pocket Issues, focus on repeat device outages (leverage with other programs). Circuits/issues are reviewed by engineering. Engineering analysis is applied to the findings and work is identified to address the cause of the problem. Budget based on historical costs; for 2011 approximately REDACTED per circuit in direct costs (not fully loaded).

29259 - Spare Transformers >10MVA (HVD Class) West	ComEd's T&S Equipment Group determines how many transformers, size and type will be purchased for spares. This determination is based upon how many transformers are currently in stock, the minimum/maximum number of spares required based on ComEd's standard, how many failures either have occurred or typically occur during the year and scheduled proactive transformer replacements. Due to the long lead time to purchase large transformers ComEd usually has a letter of intent or a purchase order from the vendor reflecting the cost, delivery charges and anticipated shipping/delivery date. ComEd also budgets for labor, crane rental, heavy hauling and oil to receive the transformers and prepare them for storage until such a time the transformer is needed.
29335 Cap Exp Baseline Work Bucket (2009-2014)	Utilized to fund Distribution Capacity Project Diagrams that are estimated to be less than $100K (classified as baseline type work). The annual budget funding is based on historical funding requirements to address forecasted overloads, voltage correction, and contingency (loss of source transformer) issues associated with Distribution Lines/Feeders/Circuits and Distribution Substations. Work is identified through the Area Planning Process (AM-CE-P127).
30422: CE-Overhead Non-Emergent CM's	ITN 30422 is utilized to fund non-emergent distribution corrective maintenance items (CMs). The annual budget funding is based on historical costs, taking into consideration CM type and distribution voltage class. Work is identified mainly through programmatic inspection programs. This work is tracked under various blanket project IDs to differentiate the work and linked to the Blanket Investment Tracking Number (ITN 30422).
30752 : Regional Reliability Imprvmnts - Chicago	The program identifies improvements for both SAIFI and customer satisfaction. Regional reliability councils provide ongoing recommendations to resolve areas/devices experiencing repeated outages. REDACTED address customers with pocket Issues, focus on repeat device outages (leverage with other programs). Circuits/issues are reviewed by engineering. Engineering analysis is applied to the findings and work is identified to address the cause of the problem. Budget based on historical costs; for 2011 approximately REDACTED per circuit in direct costs (not fully loaded).
30753 : Regional Reliability Imprvmnts - North	The program identifies improvements for both SAIFI and customer satisfaction. Regional reliability councils provide ongoing recommendations to resolve areas/devices experiencing repeated outages. REDACTED address customers with pocket Issues, focus on repeat device outages (leverage with other programs). Circuits/issues are reviewed by engineering. Engineering analysis is applied to the findings and work is identified to address the cause of the problem. Budget based on historical costs; for 2011 approximately REDACTED per circuit in direct costs (not fully loaded).
30754 : Regional Reliability Imprvmnts - South	The program identifies improvements for both SAIFI and customer satisfaction. Regional reliability councils provide ongoing recommendations to resolve areas/devices experiencing repeated outages. REDACTED address customers with pocket Issues, focus on repeat device outages (leverage with other programs). Circuits/issues are reviewed by engineering. Engineering analysis is applied to the findings and work is identified to address the cause of the problem. Budget based on historical costs; for 2011 approximately REDACTED per circuit in direct costs (not fully loaded).
33373: Device Outage Frequency Program	This program identifies devices that operated 3 or more times within a short time frame (i.e. 4 months). Such devices are fuses, transformers and reclosures. Work may include a variety or actions such as installing lightning arresters, coordination of tap fuse size and re-spanning or replacing conductors. Circuits/issues are reviewed by engineering. Engineering analysis is applied to the findings and work is identified to address the cause of the problem. Budget based on historical costs; for 2011 approximately REDACTED per job in direct costs (not fully loaded).
33992: Chronic Performing Circuits	This program identifies the next worst performing circuits (WPC), after the 1% circuits, that have had chronic reliability issues over multiple years. Unlike the 1% circuit list, the list is selected by using a system ranking vs. a regional ranking. Circuits/issues are reviewed by engineering. Engineering analysis is applied to the findings and work is identified to address the cause of the problem. Budget based on historical costs; for 2011 approximately REDACTED per circuit in direct costs (not fully loaded).
34441: Training Org CAPITAL	This ITN outlines the hours of training estimated to be spent by the various line organizations; the budget is based on calculated hours and rates for employees and the associated training requirements.
35058: EPS Orphan Placeholder: ComEd	These are costs related to the annual review/study of blanket projects and the resulting O&M/Capital split true-up for costs in the current year; this should have a budgeted amount of $0M.
35355: ComEd Cust Fld Ops Meter Reading	Budget based on Work Plan per meter read rate percentage goals
35498: Demand Response Switch Install (Dept 500)	The amount budgeted for the Demand Response Switch (DRS) is based upon the projected cost per switch multiplied by the projected installations. The cost per switch is approximately REDACTED per switch and the projected labor per switch installation is about REDACTED. The estimated DRS installations per year is approximately 8,700 switches. The cost of each installed switch is quantifiable known and measurable. The program is managed /maintained by a third party that provides the data for the installations and maintains the inventory.
35578 - PC Refresh	The PC Refresh pro-forma capital spend is based on refreshing Non-Ops PC's on a four year cycle. The cost is based on an estimated cost of REDACTED per PC and is managed by our BSC IT group. The cost is quantifiable and measurable based on: 1) the estimated cost per refresh; and 2) the known number of employees working in Non-Ops.
35615 - Regulatory Program Impl - Reg Asset	Budget based on the projected business LOE (Level of Effort) to complete UCB/POR (Utility Consolidated Billing/Purchase of Receivables) Product Test and implement the project within schedule.
35802: ComEd Cust Fld Ops F&MS New Business Sets	Budget based on Work Plan - number of New Business sets to be completed during the year
35803:ComEd Cust Fld Ops F&MS NonPeriodic Exchange	Budget based on Work Plan - number of non-periodic exchanges to be completed during the year

35805: ComEd Cust Fld Ops F&MS Periodic Exchange	Budget based on Work Plan - number of periodic exchanges to be completed during the year
35808: ComEd Cust Fld Ops F&MS Com-Dec Exchanges	Budget based on Work Plan - number of pieces of work to be completed during the year
35809: ComEd Cust Fld Ops F&MS Removes	Budget based on Work Plan - number of meter removals to be completed during the year
35837: ComEd Cust Fld F&MS Ops RRTP Exchanges	Budget based on Work Plan - number of RRTP exchanges to be completed during the year
35994: ComEd Cust Fld Ops F&MS Capital Purchases	Mainly standard meter purchases - follows the work plan for installs/exchanges. Cost per unit for materials.
36074: ComEd Cust Fld Ops F&MS Overhead	Budget based on the number of employees & the average hourly rate for labor/P&Bs etc.
36174 OCC, OFP, CFO and Gen Coun and CARE (CapEx)	The pro-forma capital spend is based on budgeted headcount and budgeted hourly labor rates. The O&M/Capital split per employee is based on a study which calculates a split based on the work employees perform. The cost is quantifiable and measurable based on: 1) plan headcount; and 2) pension & benefit rates provided by Corporate and the study on capital split.
36180: ComEd Cust Fld Ops F&MS Meter Shop	Budget based on the number of employees & the average hourly rate for labor/P&Bs etc.
36266 BSC Billed CAP	This ITN is based on known items of work, hardware estimates and estimated resources to complete the known work. Estimated resources to complete the known work is based on completed past projects similiar in scope and type of work. Labor rates are based on estimated resources at the current labor rate. Work is mainly Enterprise Wide IT Projects related to IT Infrastructure. Projects include, but are not limited to, Mainframe, Security, Web and Integration, Client Operating System and Server Monitoring. Budgets are based on one of a set of allocation methodologies updated annually. BSC Accounting approves a specific allocation methodology for use per project that most closely reflects usage per BU relative to the technology involved in each project. Examples of billing methodologies include, but are not limited to, Mainframe CPU consumption for a mainframe related project, number of WAN devices for a Firewall related project or number of PCs for a Client Device project.
36275 Capital Passthroughs	This ITN contains the capital refresh budgets for employee laptops and PCs in addition to IT Servers and Mobile Dispatch Terminals (MDTs). The refresh capital spend is based on an approximate 3-4 year life cycle for this IT Hardware. All Laptops, PCs, Servers and MDT's tracked in the IT Asset Management system. Contracts for procurement of this hardware are established through Exelon Supply Chain's RFP process which sets the specific pricing at market based rates. The capital costs are quantifiable and measurable based on such factors as the IT hardware life, replacement costs, and quantity of IT hardware in the environment.
36294 BSC / Corp Center / Other (Capital)	Budget based on historical actuals for support by Embedded Supply departments to ComEd in areas of Work Management and Material Availability, anticipated as well historical demand by ComEd for Supply Heavy Hauling services, and historical costs for equipment purchases such as forklifts. BSC Allocated costs related to Services provided to ComEd follow the split of those underlying Services in the prior year, and overall Governance related costs follow the Capital split of the embedded Supply departments.
38136: AMI Pilot	The budget was based on the cost of each AMI meter and the labor associated with the installation of the meters based upon current meter and labor rates.
39318: T&S Resource Balance Budget Build	Labor for the Transmission and Substation organization that will be assigned to specific work based on emergent and prioritized project needs and customer demands.
39495: CSS Rev Leakage Stuck Meter Investigation	Based upon historical actuals ComEd budgets for the number of stuck meter orders that result in meter exchanges. The cost of each meter and the labor associated with performing the meter exchange is also budgeted based upon current meter and labor rates.
39497: CSS Revenue Leakage Large Account Audits	Based upon historical actuals, ComEd budgets for the number of new meters tied to closed loops identified during audits. The cost of each new meter and the labor associated with the installation of the new meters is also budgeted based upon current meter and labor rates.
39656: C&M FTE Placeholder Budget Build	Labor for the Construction and Maintenance organization that will be assigned to specific work based on emergent and prioritized project needs and customer demands.
40100: 4/ 12kV Mid- Circuit Reclosures	This program identifies the locations where the installation of a mid-point recloser, coupled with the installation of supervisory control (SCADA), would provide reliability benefits. Engineering analysis is applied to insure best possible application. Budgeted based on historical costs; for 2011 approximately REDACTED per MCR in direct costs (not fully loaded).
42342: Revenue Leakage Capital Purchases	Mobile Dispatch units and installation/upgrade from Mobile Data was budgeted for in 2010 as a one time occurrence within this ITN. Revenue Protection also budgets for minor capital tools, based upon historical actuals, within this ITN.
42336: Grade B Construction	ITN 42336 is utilized to fund NESC Grade B type construction. The annual budget funding is based on historical costs. Work is identified mainly through programmatic inspection programs. This work is tracked under various Grade B codes utilized on the work order tasks; actual charges to Grade B Construction and any associated work in ITN 42336 typically roll up into the blanket ITN 30422.
5083: CE-Reinforce Reject Dist Poles	This is a programmatic ITN designed to reinforce distribution wood poles with a steel splint to restore the remaining strength to within NESC standards for construction. The 2010 budget (contracting) was designed to reinforce 846 poles based on a standard dollar per pole reinforcement event.
5084: CE-Replace Reject Dist Poles	This is a programmatic ITN designed to replace distribution wood poles that have been identified to have remaining strength significantly below the NESC standards for construction. These poles are not valid candidates for the reinforcement program. The 2010 budget (hours and materials) was designed to replace 330 poles based on a standard dollar per pole set.
5243: CE-Dist Power Quality + Voltage Corrections	The budget was based on the two-year average of historical hours expended on power quality and voltage correction tasks. The material budget for the ITN mirrored that of the 2009 budget less a projected supply savings.
5244: CE-Repair/Replace Municipal Street Lights	The budget was based on a standardized hour per task completed and the estimated number of events – based on historical trends. The material budget for the ITN mirrored that of the 2009 budget less a projected supply savings.

ICC Docket No. 10-0467

Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
TEE 5.01 – 5.07
Date Received: September 24, 2010
Date Served: October 15, 2010

REQUEST NO. TEE 5.03:

Referring to ComEd Ex 9.0, p. 41, lines 783 – 788, explain the increase amount expected for new service connections ($131.6 million for 7/2008 – 12/2009 to $163.8 million for 1/2010 – 6/2011).

RESPONSE:

The increase in new service connections for the period 1/2010-6/2011 over the period of 7/2008-12/2009 is driven by the following items.

The amount of Contributions in Aid of Construction (CIAC) that ComEd receives from customers to provide service has decreased. As a result of the economic slowdown, more customers are selecting the standard service (non- reimbursable) over the non-standard service (optional equipment/design which is reimbursable). In addition the mix of work is projected to change to a larger percentage of residential services vs. commercial services. These factors reduce the amount of CIAC being collected, increasing the cost of providing service.

ComEd's general labor and benefits have increased as well as cost allocations. Cost allocations, as a percentage of spend, have increased as the portfolio of overall capital investment decreased over the period specified. The reduction in overall spend across ComEd has resulted in a larger percentage of these charges being allocated to the cost of providing service.

Finally, based upon discussions with developers, historical trends, and extrapolating the economic model projections; it is anticipated that additional resources will be required during the 'pro-forma' period for unique project work scope not yet fully defined or requested of ComEd. ComEd has included funding for these anticipated, but not yet identified, projects in the 'pro forma' budget. Per ComEd's PRC/AIC authorization process, once the project work scope is defined, the funding is transferred to the unique project IDs and ITNs. This "checkbook" approach ensures funding exists for unbudgeted newly identified work prior to the work being executed. As such, the historical funding expended for new services between 7/2008-12/2009 does not include any of the unique project dollars spent. Conversely the 'pro forma' forecast for 1/2010 – 6/2011 does include funding for the developing unique project work scope. Therefore the $131.6M between 7/2008-12/2009 is not a like-for-like comparison to the work scope to be completed with the 'pro forma' forecast of $163.8M for the period of 1/2010 – 6/2011.

Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
TEE 3.01 – 3.08
Date Received: September 22, 2010
Date Served: October 13, 2010

REQUEST NO. TEE 3.07:

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Referring to the Company response to Staff data request TEE 2.07 Attach 1, explain the following terms used in the "Percentage Complete" column:

a) No Specific ITN (Investment Tracking Number)Budget
b) Represents overhead $ to be redistributed over projects during the year
c) Funded from ITN (number)
d) Pro Forma Amount is YE CWIP
e) Budgeted for in SCADA in ITN 5914
f) Additional Budget Funding From ITN
g) To be Funded by ITN (number)
h) High Level Bucket Budget for Unique Projects
i) ComEd Funded additional dollars from ITN (numbers)

RESPONSE:

a) 'No Specific ITN Budget' means that an ITN for that specific work did not exist at the time of the creation of the Budget. Typically, Category Owners manage the allotted funding for their category by taking any ITNs that are not currently funded and transfer dollars to those ITNs via the checkbook process.

b) 'Represents Overhead Dollars to be Redistributed over projects during the year' represents undistributed overhead costs that will be allocated over projects through the monthly allocation process.

c) 'Funded from ITN' means that the Category Owner moved dollars from a funded ITN to a newly created or unfunded ITN. This is the ComEd checkbook process which is further described in ComEd's Response to Staff Data Requests ME 4.01 and TEE 3.08.

d) 'Pro-Forma Amount is YE CWIP' means the amount in the "Pro Forma – In Service Column" and represents the December 31, 2009 balance in CWIP on ComEd's books.

e) 'Budgeted for in SCADA in ITN 5914' The dollars charged were to Distribution Plant and the funding for this ITN is under General Plant in SCADA under the same ITN.

f) 'Additional Budget Funding From ITN 29102' means that the funding from ITN 16443 was budgeted in ITN 29102.

g) 'To be Funded by ITN' points to the ITN that the budget for the indicated row is located.

h) 'High Level Bucket Budget for Unique Projects' represents high level "buckets" built into the budget where unique projects are funded as they become known.

i) For 'ComEd Funded additional dollars from ITN (numbers)' see ComEd's response to subpart (c).

ICC Docket No. 10-0467

Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
TEE 3.01 – 3.08
Date Received: September 22, 2010
Date Served: October 12, 2010

REQUEST NO. TEE 3.08:

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Referring to the Company response to Staff data request TEE 2.07 Attach 1, it appears that funding is transferred from one ITN (Investment Tracking Number) to another as needed. Please describe the process whereby the determination is made for the transfer between ITN's. Include the approval process necessary for the transfers, as well as how the determination of which ITN is decreased by the transfer.

RESPONSE:

The decision as to which project will be used as an offset for another is made by project managers and category owners after reviewing the data by category. As a result of management experience over the last several years, ComEd is confident that the demands placed on its system require at least the level of spending budgeted in each category. Reviewing the data by category is the most reliable and meaningful way to use this data to assess project progress for several reasons:

(1) During the budget process "bucket" ITNs are established for certain classes of unique projects (e.g. ITN 10638: New Bus West Unspecified Projects) that will routinely and predictably emerge during the year. As the work then emerges, individual ITNs are created and funds transferred. However, as a result, new ITNs are necessarily created that have zero beginning-of-year budgets that will, by definition, therefore exceed those zero budgets if any work is done. At the same time, the bucket ITNs created for planning purposes seldom or ever will be associated with completed work and thus will, by definition, have spending levels below their "budget".

(2) A number of ITNs represent projects that are exchanged in order of completion for like type projects as the year proceeds. For example, when public agencies have the budget authority to complete a relocation project, ComEd must proceed with that work. ComEd will often defer a lower-priority relocation or similar ITN in response. The overall relocation activity will remain as planned, but that will not be reflected in particular ITNs expenditures.

Also refer to ComEd's Response to ICC Staff Data Request ME 4.01.

ICC Docket No. 10-0467

**Commonwealth Edison Company's Response to
Illinois Commerce Commission ("STAFF") Data Requests
TEE 5.01 – 5.07
Date Received: September 24, 2010
Date Served: October 15, 2010**

REQUEST NO. TEE 5.05:

Provide an explanation of all line items included on Company workpaper WPB-2.1a that are negative amounts.

RESPONSE:

The primary credits included in workpaper WPB-2.1a are:

ITN	ITN Description	Jurisdictional In Service
22326	22326: ComEd Capital Management Challenge	(44,245,504)
10629	10629: CE-Damage Claims	(6,873,738)
29944	29944: E&PM Carry Forward Efficiency Savings	(6,611,607)
42016	42016: Engineering Estimate Capital	(1,528,800)

The credits are explained as follows:

ITN 22326: ComEd Capital Management Challenge: Represents targeted budget reductions for which specific, underlying work plans have not yet been identified

ITN 22326: CE-Damage Claims: Represents the expected reduction to capital that results from the forecasted claims for damages recovered by ComEd and applicable to capital projects.

ITN 29944: E&PM Carry Forward Efficiency Savings: Represents targeted efficiency savings not identified to specific budget projects. These savings and the related credit are considered to be 100% Distribution therefore the entire amount was included as a reduction to the pro forma plant additions.

42016: Engineering Estimate Capital: Represents engineering costs for jobs that do not materialize that are later charged to expense.

The remaining credits totaling under $1 million represent various adjustments to projects including the transfer of costs between projects.

Commonwealth Edison Company

Plant in Service Comparison

(In Dollars)

	January 2010 - June 2011 Jurisdictional Plant In Service per TEE 3.05	per WPB-2.1a	percentage change
Distribution Plant			
Back Office	$ (20,006,852)	$ (19,908,561)	-0.49%
Capacity Expansion	74,847,654	82,759,700	-9.56%
Corrective Maintenance	278,716,540	248,358,222	12.22%
Facility Relocation	83,800,825	71,760,452	16.78%
New Business	210,262,289	253,504,679	-17.06%
System Performance	159,734,323	132,212,174	20.82%
Capitalized Overheads	35,333,494	49,153,077	-28.12%
Customer \ Non Ops	60,908,343	61,050,188	-0.23%
Distribution Plant Total	$ 883,596,615	$ 878,889,932	0.54%
General Plant			
Tools	$ 6,376,939	$ 8,136,136	-21.62%
Vehicles	32,578,913	27,410,699	18.85%
Communications Equipment \ SCADA	1,891,491	2,376,054	-20.39%
Real Estate	15,495,940	24,949,049	-37.89%
Other General Plant (2)	22,810,631	12,587,496	81.22%
System Performance	7,783,105	-	New Category
Intangible Plant			
Intangible Plant	$ 72,323,394	83,941,537	-13.84%
General and Intangible Plant Total	$ 159,260,413	$ 159,400,972	-0.09%
Overall Total	$ 1,042,857,028	$1,038,290,904	0.44%

Commonwealth Edison Company

Statement of Operating Income with Adjustments

For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Company Pro Forma Jurisdictional Operating Income (Sch. C-1)	Staff Adjustments (Sch 1. 02)	Staff Pro Forma Present (Cols. b+c)	Company Proposed Increase (Co. Sch. C-1)	Staff Gross Revenue Conversion Factor	Proposed Rates With Staff Adjustments (Cols. d+e+f)	Adjustment To Proposed Increase	Staff Pro Forma Proposed (Cols. g+h)
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues	$ 1,941,094	-	$ 1,941,094	$ 396,053	$ (235)	$ 2,336,912	$ (325,671)	$ 2,011,241
2	Other Revenues	96,588	8,000	104,588	-	-	104,588	-	104,588
3		-	-	-	-	-	-	-	-
4		-	-	-	-	-	-	-	-
5	Total Operating Revenue	2,037,682	8,000	2,045,682	396,053	(235)	2,441,500	(325,671)	2,115,829
6	Uncollectibles Expense	29,857	121	29,978	6,213	(236)	35,955	(4,918)	31,037
7	Distribution	313,966	(10,742)	303,224	-	-	303,224	-	303,224
8	Customer Accounts	159,871	(6,037)	153,834	-	-	153,834	-	153,834
9	Customer Services and Informational Services	9,067	(1,013)	8,054	-	-	8,054	-	8,054
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	343,040	(19,955)	323,085	-	-	323,085	-	323,085
12	Depreciation and Amortization	408,327	(21,479)	386,848	-	-	386,848	-	386,848
13	Taxes Other Than Income	147,571	(1,806)	145,765	-	-	145,765	-	145,765
14	Regulatory Debits	47,941	(42,382)	5,559	-	-	5,559	-	5,559
15		-	-	-	-	-	-	-	-
16		-	-	-	-	-	-	-	-
17	Total Operating Expense								
18	Before Income Taxes	1,459,640	(103,293)	1,356,347	6,213	(236)	1,362,324	(4,918)	1,357,406
19	State Income Tax	15,521	9,794	25,315	28,458	1	53,774	(23,415)	30,359
20	Federal Income Tax	(3,557)	43,523	39,966	126,503	-	166,469	(104,068)	62,401
21	Deferred Taxes and ITCs Net	107,222	9,528	116,750	-	-	116,750	-	116,750
22	Total Operating Expenses	1,578,826	(40,448)	1,538,378	161,174	(235)	1,699,317	(132,401)	1,566,916
23	NET OPERATING INCOME	$ 458,856	48,448	$ 507,304	$ 234,879	$ -	$ 742,183	$ (193,270)	$ 548,913
24	Staff Rate Base (Schedule 1.3, column (d), line 23)								$ 6,663,284
25	Staff Overall Rate of Return (ICC Staff Exhibit 4.0, Schedule 4.1)								8.24%
26	Revenue Change (column (i), line 5 minus column (b), line 5)								$ 78,147
27	Percentage Change (column (i), line 26 divided by column (d), line 5)								3.84%

Commonwealth Edison Company

Adjustments to Operating Income

For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Interest Synchronization (Sch.1.06)	Pro Forma Plant Additions (Sch.1.08)	Underground Cable Adjustment (Sch.1.10)	PORCB Adjustment (Sch. 1.09)	Amortization of Regulatory Assets (Sch. 2.01)	Other Revenues Correction (Sch. 2.02)	Deferred Taxes Expense Correction (Sch. 2.03)	Subtotal Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Operating Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Other Revenues	-	-	-	-	-	8,000	-	8,000
3	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-
5	Total Operating Revenue	-	-	-	-	-	8,000	-	8,000
6	Uncollectibles Expense	-	-	-	-	-	121	-	121
7	Distribution	-	-	-	-	-	-	-	-
8	Customer Accounts	-	-	-	-	-	-	-	-
9	Customer Services and Informational Services	-	-	-	-	-	-	-	-
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	-	-	-	-	-	-	-	-
12	Depreciation and Amortization	-	(23,105)	(433)	2,680	-	-	-	(20,858)
13	Taxes Other Than Income	-	-	-	-	-	-	-	-
14	Regulatory Debits	-	-	-	-	(8,387)	-	-	(8,387)
15	-	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-	-
17	Total Operating Expense								
18	Before Income Taxes	-	(23,105)	(433)	2,680	(8,387)	121	-	(29,124)
19	State Income Tax	2,850	1,687	32	(196)	612	575	(1,181)	4,379
20	Federal Income Tax	12,665	7,496	140	(870)	2,721	2,556	(5,250)	19,458
21	Deferred Taxes and ITCs Net	-	-	-	-	-	-	6,431	6,431
22	Total Operating Expenses	15,515	(13,922)	(261)	1,614	(5,054)	3,252	-	1,144
23	NET OPERATING INCOME	$ (15,515)	$ 13,922	$ 261	$ (1,614)	$ 5,054	$ 4,748	$ -	$ 6,856

Commonwealth Edison Company
Adjustments to Operating Income
For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments	Rate Case Expense (Sch. 2.04)	Deferred Tax Liability for Medicare Part D (Sch. 3.02)	2010 Salary and Wage Increase (Sch. 3.03)	Reduce Incentive Compensation (Sch. 3.04)	Perquisites and Awards (Sch. 3.05)	Severence Expenses (Sch. 3.06)	Subtotal Operating Statement Adjustments
	(a)	(j)	(k)	(l)	(m)	(n)	(p)	(p)	(q)
1	Operating Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Other Revenues	8,000	-	-	-	-	-	-	8,000
3	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-
5	Total Operating Revenue	8,000	-	-	-	-	-	-	8,000
6	Uncollectibles Expense	121	-	-	-	-	-	-	121
7	Distribution	-	-	-	(4,228)	(6,326)	(125)	-	(10,679)
8	Customer Accounts	-	-	-	(2,990)	(2,897)	(85)	-	(5,972)
9	Customer Services and Informational Services	-	-	-	(103)	-	(910)	-	(1,013)
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	-	-	-	(735)	(2,162)	(2,375)	(320)	(5,592)
12	Depreciation and Amortization	(20,858)	-	-	-	(374)	-	-	(21,232)
13	Taxes Other Than Income	-	-	-	(753)	(1,053)	-	-	(1,806)
14	Regulatory Debits	(8,387)	(1,109)	(3,104)	-	(580)	-	-	(13,180)
15	-	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-	-
17	Total Operating Expense								
18	Before Income Taxes	(29,124)	(1,109)	(3,104)	(8,809)	(13,392)	(3,495)	(320)	(59,353)
19	State Income Tax	4,379	81	227	643	978	255	23	6,586
20	Federal Income Tax	19,458	360	1,007	2,858	4,345	1,134	104	29,266
21	Deferred Taxes and ITCs Net	6,431	-	-	-	-	-	-	6,431
22	Total Operating Expenses	1,144	(668)	(1,870)	(5,308)	(8,069)	(2,106)	(193)	(17,070)
23	NET OPERATING INCOME	$ 6,856	$ 668	$ 1,870	$ 5,308	$ 8,069	$ 2,106	$ 193	$ 25,070

Commonwealth Edison Company

Adjustments to Operating Income

For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments	Directors' Fees and Expenses (Sch. 3.07)	Corporate Aircraft Costs (Sch. 3.08)	Charitable Contributions (Sch. 4.03)	Severence Expenses (Sch. 4.04)	Outside Services (Sch. 4.05)	Advertising Expense (Sch. 4.06)	Subtotal Operating Statement Adjustments
	(a)	(r)	(s)	(t)	(u)	(v)	(w)	(x)	(y)
1	Operating Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Other Revenues	8,000	-	-	-	-	-	-	8,000
3	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-
5	Total Operating Revenue	8,000	-	-	-	-	-	-	8,000
6	Uncollectibles Expense	121	-	-	-	-	-	-	121
7	Distribution	(10,679)	-	-	-	-	-	-	(10,679)
8	Customer Accounts	(5,972)	-	-	-	-	-	-	(5,972)
9	Customer Services and Informational Services	(1,013)	-	-	-	-	-	-	(1,013)
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	(5,592)	(312)	(874)	(2,574)		(225)	(52)	(9,629)
12	Depreciation and Amortization	(21,232)	-	-	-	-	-	-	(21,232)
13	Taxes Other Than Income	(1,806)	-	-	-	-	-	-	(1,806)
14	Regulatory Debits	(13,180)		-	-	(3,867)		-	(17,047)
15	-	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-	-
17	Total Operating Expense								
18	Before Income Taxes	(59,353)	(312)	(874)	(2,574)	(3,867)	(225)	(52)	(67,257)
19	State Income Tax	6,586	23	64	188	282	16	4	7,163
20	Federal Income Tax	29,266	101	284	835	1,255	73	17	31,831
21	Deferred Taxes and ITCs Net	6,431	-	-	-	-	-	-	6,431
22	Total Operating Expenses	(17,070)	(188)	(526)	(1,551)	(2,330)	(136)	(31)	(21,832)
23	NET OPERATING INCOME	$ 25,070	$ 188	$ 526	$ 1,551	$ 2,330	$ 136	$ 31	$ 29,832

Commonwealth Edison Company
Adjustments to Operating Income
For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Subtotal Operating Statement Adjustments	Project ITN # 37977 (Sch. 1.11)	Remove Regulatory Debit (Sch. 3.09)	Remove Pro Forma 2010 Pension & OPEB Exp (Sch 3.10)	Depreciation on Retired Meters (Sch 4.07)	Redeployment of AMI Meters (Sch 4.08)	Professional Sporting Activity Expense (Sch 4.09)	Total Operating Statement Adjustments
	(a)	(z)	(aa)	(ab)	(ac)	(ad)	(ae)	(af)	(ag)
1	Operating Revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
2	Other Revenues	8,000	-	-	-	-	-	-	8,000
3	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-
5	Total Operating Revenue	8,000	-	-	-	-	-	-	8,000
6	Uncollectibles Expense	121	-	-	-	-	-	-	121
7	Distribution	(10,679)	-	-	-	-		(63)	(10,742)
8	Customer Accounts	(5,972)	-	-	-	-		(65)	(6,037)
9	Customer Services and Informational Services	(1,013)	-	-	-	-	-	-	(1,013)
10	Sales	-	-	-	-	-	-	-	-
11	Administrative and General	(9,629)		-	(9,943)	-		(383)	(19,955)
12	Depreciation and Amortization	(21,232)	(92)	-		(155)	-	-	(21,479)
13	Taxes Other Than Income	(1,806)	-	-	-	-	-	-	(1,806)
14	Regulatory Debits	(17,047)	-	(25,078)	-		(257)	-	(42,382)
15	-	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-	-
17	Total Operating Expense								
18	Before Income Taxes	(67,257)	(92)	(25,078)	(9,943)	(155)	(257)	(511)	(103,293)
19	State Income Tax	7,163	7	1,831	726	11	19	37	9,794
20	Federal Income Tax	31,831	30	8,137	3,226	50	83	166	43,523
21	Deferred Taxes and ITCs Net	6,431	-	-	3,952	-	(855)	-	9,528
22	Total Operating Expenses	(21,832)	(55)	(15,110)	(2,039)	(94)	(1,010)	(308)	(40,448)
23	NET OPERATING INCOME	$ 29,832	$ 55	$ 15,110	$ 2,039	$ 94	$ 1,010	$ 308	$ 48,448

Commonwealth Edison Company

Rate Base

For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Company Pro Forma Jurisdictional Rate Base (Co. Sch. B-1)	Staff Adjustments (Sch.1.4)	Staff Pro Forma Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant	$ 14,772,294	$ (573,615)	$ 14,198,679
2	Accumulated Provision for Depreciation and Amortization	(5,298,549)	(294,552)	(5,593,101)
3	-	-	-	-
4	Net Plant	9,473,745	(868,167)	8,605,578
5	Additions to Rate Base			
6	Materials and Supplies	26,586	(3,265)	23,321
7	Construction Work in Progress	12,591	-	12,591
8	Regulatory Assets	11,060	4,657	15,717
9	Deferred Debits	98,463	(95,108)	3,355
10	Cash Working Capital	95,736	(78,775)	16,961
11	-	-	-	-
12	Deductions From Rate Base			
13	Accumulated Deferred Income Taxes	(1,582,072)	(12,711)	(1,594,783)
14	Non-Pension Post Retirement Benefit Obligations	-	-	-
15	Other Accumulated Provisions for Pensions and Benefits	-	-	-
16	Accumulated Provision for Injuries and Damages	-	-	-
17	Accumulated Misc. Operating Provisions	(306,818)	-	(306,818)
18	Asset Retirement Obligation	(18,750)	-	(18,750)
19	Other Deferred Credits	(11,665)	-	(11,665)
20	Customer Advances	(37,003)	-	(37,003)
21	Customer Deposits	(44,705)	(515)	(45,220)
22		-	-	-
23	Rate Base	$ 7,717,168	$ (1,053,884)	$ 6,663,284

Commonwealth Edison Company
Adjustments to Rate Base
For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Pro Forma Plant Additions (Sch.1.08)	Underground Cable Adjustment (Sch.1.09)	PORCB Adjustment (Sch. 1.10)	Project ITN # 37977 (Sch. 1.11)	Remove Pension Asset (Sch. 3.01)	Deferred Tax Liability for Medicare Part D (Sch. 3.02)	Cash Working Capital (Sch. 3.11)	Subtotal Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Utility Plant	$ (520,161)	$ (18,730)	$ (16,679)	$ (4,065)		$ -	$ -	$ (559,635)
2	Accumulated Provision for Depreciation and Amortization	(302,157)	1,956	2,932	92		-	-	(297,177)
3	-	-	-	-	-	-	-	-	-
4	Net Plant	(822,318)	(16,774)	(13,747)	(3,973)	-	-	-	(856,812)
	-								
5	Additions to Rate Base								
6	Materials and Supplies	-	-	-	-	-	-	-	-
7	Construction Work in Progress	-	-	-	-	-	-	-	-
8	Regulatory Assets	-	-	-	-	-	4,657	-	4,657
9	Deferred Debits	-	-	(2,517)		(92,591)		-	(95,108)
10	Cash Working Capital	-	-	-	-	-	-	(78,775)	(78,775)
11	-	-	-	-	-	-	-	-	-
12	Deductions From Rate Base	-	-	-	-	-	-	-	-
13	Accumulated Deferred Income Taxes	(35,518)	1,552	784	113	23,841		-	(9,227)
14	Non-Pension Post Retirement Benefit Obligations	-	-	-	-	-	-	-	-
15	Other Accumulated Provisions for Pensions and Benefits	-	-	-	-	-	-	-	-
16	Accumulated Provision for Injuries and Damages	-	-	-	-	-	-	-	-
17	Accumulated Misc. Operating Provisions	-	-	-	-	-	-	-	-
18	Asset Retirement Obligation	-	-	-	-	-	-	-	-
19	Other Deferred Credits	-	-	-	-	-	-	-	-
20	Customer Advances	-	-	-	-	-	-	-	-
21	Customer Deposits	-	-	-	-	-	-	-	-
22	-	-	-	-	-	-	-	-	-
23	Rate Base	$ (857,836)	$ (15,222)	$ (15,480)	$ (3,860)	$ (68,750)	$ 4,657	$ (78,775)	$ (1,035,265)

Commonwealth Edison Company

Adjustments to Rate Base

For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Subtotal Rate Base Adjustments	Reduce Incentive Compensation (Sch. 3.04)	Perquisites and Awards (Sch. 3.05)	Remove Pro Forma 2010 Pension & OPEB Exp (Sch 3.10)	Materials & Supplies Adjsutment (Sch. 4.01)	Customer Deposits (Sch. 4.02)	Redeployment of AMI Meters (Sch 4.08)	Total Rate Base Adjustments
	(a)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
1	Gross Utility Plant	$ (559,635)	$ (13,820)	$ (160)		$ -	$ -	$ -	$ (573,615)
2	Accumulated Provision for Depreciation and Amortization	(297,177)	1,023		-	-	-	1,602	(294,552)
3	-	-	-	-	-	-	-	-	-
4	Net Plant	(856,812)	(12,797)	(160)	-	-	-	1,602	(868,167)
	-								
5	Additions to Rate Base								-
6	Materials and Supplies	-		-		(3,265)	-	-	(3,265)
7	Construction Work in Progress	-	-	-	-	-	-	-	-
8	Regulatory Assets	4,657		-	-	-	-	-	4,657
9	Deferred Debits	(95,108)	-	-	-	-	-	-	(95,108)
10	Cash Working Capital	(78,775)	-	-	-	-	-	-	(78,775)
11	-	-	-	-	-	-	-	-	-
12	Deductions From Rate Base	-	-	-	-	-	-	-	-
13	Accumulated Deferred Income Taxes	(9,227)	468		(3,952)	-	-		(12,711)
14	Non-Pension Post Retirement Benefit Obligations	-	-	-	-	-	-	-	-
15	Other Accumulated Provisions for Pensions and Benefits	-	-	-	-	-	-	-	-
16	Accumulated Provision for Injuries and Damages	-	-	-	-	-	-	-	-
17	Accumulated Misc. Operating Provisions	-	-	-	-	-	-	-	-
18	Asset Retirement Obligation	-	-	-	-	-	-	-	-
19	Other Deferred Credits	-	-	-	-	-	-	-	-
20	Customer Advances	-	-	-	-	-	-	-	-
21	Customer Deposits	-	-		-		(515)	-	(515)
22	-	-	-	-	-	-	-	-	-
23	Rate Base	$ (1,035,265)	$ (12,329)	$ (160)	$ (3,952)	$ (3,265)	$ (515)	$ 1,602	$ (1,053,884)

Commonwealth Edison Company

Revenue Effect of Staff's Adjustments

For the Test Year Ending December 31, 2009

(In Thousands)

Line No.	Description	ComEd's Proposal	Staff's Adjustments		Staff's Direct
	(a)	(b)	(c)		(d)
1	**Summary**				
2	Current Revenues	$ 2,037,682			$ 2,037,682
3	**Proposed Increase**	**396,053**	**(317,906)**	#	**78,147**
4	Proposed Revenue Requirement	$ 2,433,735	$ (317,906)		$ 2,115,829
5	**Percentage Increase**	**19.44%**	**-15.60%**		**3.84%**
6	**Effect of Each Staff Adjustment**				
7	Pro Forma Plant Additions		$ (122,972)		
8	Rate of Return		(97,717)		
9	Remove Regulatory Debit		(25,463)		
10	Reduce Incentive Compensation		(15,028)		
11	2010 Salary and Wage Increase		(8,945)		
12	Amortization of Regulatory Assets		(8,517)		
13	Remove Pension Asset		(7,975)		
14	Cash Working Capital		(9,138)		
15	Severence Expenses		(3,927)		
	Remove Pro Forma 2010 Pension & OPEB Exp		(3,894)		
16	Perquisites and Rewards		(3,568)		
17	Charitable Expenses		(2,614)		
18	Deferred Tax Liability for Medicare Part D		(2,611)		
19	Underground Cable Adjustment		(2,206)		
20	Rate Case Expense		(1,126)		
21	Corporate Aircraft Costs		(886)		
22	Project ITN # 37977		(540)		
23	Professional Sporting Activity Expense		(519)		
24	Materials and Supplies Adjustment		(379)		
25	Severence Expenses		(325)		
26	Director's Fees and Expenses		(317)		
27	Outside Services		(229)		
28	Redeployment of AMI Meters		(1,516)		
29	Depreciation on Retired Meters		(158)		
30	Customer Deposits		(60)		
31	Advertising Expense		(52)		
32	Gross Revenue Conversion Factor		(235)		
33	Other Revenues Correction		(2)		
34	Deferred Taxes Expense Correction		-		
35	PORCB Adjustment		924		
36	Tax Effect of Interest (Interest Synch.)		2,090		
37	Rounding		(1)		
38	Effect of Staff's Adjustments		**$ (317,906)**	#	
39	**Reconciliation to Schedule 1.01**				
40	Column (c), line 5.		8,000		
41	Column (f), line 5.		(235)		
42	Column (h), line 5.		(325,671)		
43	Total Effect of Staff's Adjustments		**$ (317,906)**	#	

Commonwealth Edison Company

Interest Synchronization Adjustment

For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Amount
	(a)	(b)
1	Rate Base	$ 6,663,284 (1)
2	Weighted Cost of Debt	3.53% (2)
3	Synchronized Interest Per Staff (Line 1 x Line 2)	235,047
4	Company Interest Expense	274,083 (3)
5	Increase (Decrease) in Interest Expense	(39,036)
6	Increase (Decrease) in State Income Tax Expense	
7	at 7.300%	$ 2,850
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	$ 12,665

(1) Source: Schedule 1.3, column (d), line 23
(2) Source: ICC Staff Exhibit 4.0, Schedule 4.1
(3) Source: Company Schedule C-5.4 page 2, line 3

Commonwealth Edison Company
Gross Revenue Conversion Factor
For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	1.000000
2	Uncollectibles per Staff (1)	1.5100%	0.015100	
3	State Taxable Income		0.984900	
4	State Income Tax	7.3000%	0.071900	0.073000
5	Federal Taxable Income		0.913000	0.927000
6	Federal Income Tax	35.0000%	0.319600	0.324450
7	Operating Income		0.593400	0.602550
8	Gross Revenue Conversion Factor Per Staff (Line 1 / Line 7)		1.685200	1.659613

(1) Staff Ex. 3.0, p. 47, lines 1121 - 1122.

Commonwealth Edison Company
Pro Forma Plant Adjustment
For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Amount	Source
	(a)	(b)	(c)
1	Pro Forma Plant Additions per Staff	$ 518,130	Page 2 line 1
2	Pro Forma Plant Additions per Company	1,038,291	Page 2 line 2
3	Staff Proposed Adjustment	$ (520,161)	Line 1 minus Line 2
4	Accumulated Depreciation per Staff	$ (274,076)	Page 2 line 4 plus page 3 line 1
5	Accumulated Depreciation per Company	28,081	Page 2 line 5 plus page 3 line 2
6	Staff Proposed Adjustment	$ (302,157)	Line 4 minus Line 5
7	ADIT per Staff	$ (47,274)	Page 2 line 7 plus page 3 line 4
8	ADIT per Company	(11,756)	Page 2 line 8 plus page 3 line 5
9	Staff Proposed Adjustment-Admin. & General Expense	$ (35,518)	Line 7 minus Line 8
10	Depreciation Expense per Staff	$ 19,159	Page 2 line 10
11	Depreciation Expense per Company	42,264	Page 2 line 11
12	Staff Proposed Adjustment	$ (23,105)	Line 10 minus Line 11

Commonwealth Edison Company
Pro Forma Plant Adjustment
For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Amount	Source
	(a)	(b)	(c)
1	Pro Forma Plant Additions per Staff	$ 518,130	(2)
2	Pro Forma Plant Additions per Company	1,038,291	(1)
3	Staff Proposed Adjustment	$ (520,161)	Line 1 minus Line 2
4	Accumulated Depreciation per Staff	$ 17,284	(2)
5	Accumulated Depreciation per Company	28,081	(1)
6	Staff Proposed Adjustment	$ (10,797)	Line 4 minus Line 5
7	ADIT per Staff	$ (5,329)	(Line 10 divided by Line 11) times Line 8
8	ADIT per Company	(11,756)	(1)
9	Staff Proposed Adjustment-Admin. & General Expense	$ 6,427	Line 7 minus Line 8
10	Depreciation Expense per Staff	$ 19,159	(2)
11	Depreciation Expense per Company	42,264	(3)
12	Staff Proposed Adjustment	$ (23,105)	Line 10 minus Line 11

(1) Source: Company Schedule B-2.1
(2) Source: Staff workpaper adjusting response to Staff data request TEE 3.07
(3) Source: Company workpaper WPB-2.1a

Commonwealth Edison Company

Pro Forma Plant Adjustment
For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Amount	Source
	(a)	(b)	(c)
1	Increased Accumulated Depreciation per Staff	$ (291,360)	(1)
2	Increased Accumulated Depreciation per Company filing	-	
3	Staff Proposed Adjustment	$ (291,360)	Line 1 minus Line 2
4	Increased ADIT per Staff	$ (41,945)	(2)
5	Increased ADIT per Company filing	-	
6	Staff Proposed Adjustment	$ (41,945)	Line 4 minus Line 5

(1) Source: Company response to Staff data request TEE 2.01, Corrected, Attach 1 (582,720/2)
(2) Source: Company response to Staff data request TEE 2.01, Corrected, Attach 2 (83339/2)

Commonwealth Edison Company
PORCB Adjustment
For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Amount	Source
	(a)	(b)	(c)
1	PORCB Pro Forma Plant per Staff	$ -	
2	PORCB Pro Forma Plant per Company	16,679	(1)
3	Staff Proposed Adjustment	$ (16,679)	Line 1 minus Line 2
4	Accumulated Depreciation per Staff	$ -	
5	Accumulated Depreciation per Company	(2,932)	(1)
6	Staff Proposed Adjustment	$ 2,932	Line 4 minus Line 5
7	ADIT per Staff	$ -	
8	ADIT per Company	(784)	(1)
9	Staff Proposed Adjustment-Admin. & General Expense	$ 784	Line 7 minus Line 8
10	Depreciation Expense per Staff	$ -	
11	Depreciation Expense per Company	(2,932)	(1)
12	Staff Proposed Adjustment	$ 2,932	Line 10 minus Line 11
13	Deferred Debits per Staff	$ -	
14	Deferred Debits per Company	2,517	(1)
15	Staff Proposed Adjustment	$ (2,517)	
16	Amortization per Staff	$ -	
17	Amortization per Company	252	(1)
18	Staff Proposed Adjustment	$ (252)	

(1) Source: Company response to Staff data request TEE 7.03

Commonwealth Edison Company
Underground Cable Adjustment
For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Amount	Source
	(a)	(b)	(c)
1	Underground Cable Adjustment per Staff	$ -	
2	Underground Cable Adjustment per Company	18,730	(1)
3	Staff Proposed Adjustment	$ (18,730)	Line 1 minus Line 2
4	Accumulated Depreciation per Staff	$ -	
5	Accumulated Depreciation per Company	(1,956)	(1)
6	Staff Proposed Adjustment	$ 1,956	Line 4 minus Line 5
7	ADIT per Staff	$ -	
8	ADIT per Company	(1,552)	(1)
9	Staff Proposed Adjustment-Admin. & General Expense	$ 1,552	Line 7 minus Line 8
10	Depreciation Expense per Staff	$ -	
11	Depreciation Expense per Company	433	(2)
12	Staff Proposed Adjustment	$ (433)	Line 10 minus Line 11

(1) Source: Company Schedule B-2.1
(2) Source: Company Schedule C-2.7

Commonwealth Edison Company
Project ITN # 37977 Adjustment
For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Amount	Source
	(a)	(b)	(c)
1	Project ITN # 37977 per Staff	$ -	(1)
2	Project ITN # 37977 per Company	4,065	(1)
3	Staff Proposed Adjustment to Distribution Plant in Service	$ (4,065)	
4	Staff Adjustment to Distribution Plant in Service	$ (4,065)	Line 3
5	Depreciation Rate for High Voltage Distribution Plant	2.46%	(3)
6	Annual Depreciation on Adjusted Distribution Plant	100	Line 4 x Line 5
7	Staff Proposed Adjustment to Reduce Depreciation Expense	$ (92)	(4), - Line 6 x 11 montl
8	Staff Proposed Adjustment to Accum. Depr. - Dist. Plant	$ 92	(4), Line 6 x 11 months
9	Total Distribution Plant Depreciation (before pro-formas)	$ 300,371	(5)
10	Staff Adjustment to Depr. Exp. as a % of Total Dist. Plant Depr. Exp.	-0.03%	Line 7 / Line 9
11	Liberalized Depr. - Plant & Equip at 12/31/09	$ (2,445,507)	(6)
12	Liberalized Depr. - Plant & Equip at 12/31/08	(2,073,887)	(7)
13	Net Liberalized Depr. - Plant & Equip for 1/1/09 - 12/31/09	$ (371,620)	Line 11 less Line 12
14	Jurisdictional Allocation Percentage	78.5%	(8)
15	2009 Jurisdictional Allocation of Liberalized Depr. - Plant & Equip	$ (291,722)	Line 13 x Line 14
16	Staff Proposed Adjustment to ADIT	$ 113	Line 10 x Line 13

(1) Source: Staff Exhibit 6.0
(2) Source: Company Schedule B-1, Page 1, Line 2, Column (B)
(3) Source: Company Schedule C-12, Page 2, Line 3, Column (C)
(4) Per Company response to Staff Data Request ME-1.01, In Service Date for ITN # 37977 was February 2009.
As such, related 2009 depreciation is from February through December 2009, or 11 months.
(5) Source: Company Schedule C-12, Page 2, Line 8, Column (D)

Docket No. 10-0467
ICC Staff Ex. 1.0
Schedule 1.12

Commonwealth Edison Company
Original Cost Determination
For the Test Year Ending December 31, 2009
(In Thousands)

Line No.	Description	Amount	Amount	Source
	(a)	(b)	(c)	(d)
1	Unadjusted Delivery Service Rate Base		$ 13,932,447	Company Schedule B-1, column (B), line 4
2	Project ITN # 37977	$ (4,065)		Staff Ex. 1.0, Schedule 1.11, line 3
3	Incentive Compensation adjustment	(13,820)		Staff Ex. 3.0, Schedule 3.04, p. 1, line 15
4	Perquisites and Awards adjustment	(160)		Staff Ex. 3.0, Schedule 3.05, line 6
5	Total Staff adjustments to historic plant		(18,045)	Sum of lines 2 through 4
6	Staff proposed Orginal Cost amount		$ 13,914,402	Line 1 plus line 5