

**Commonwealth Edison Company's Response to  
People of the State of Illinois ("AG") Data Requests**

**AG 1.01 – 1.18**

**Date Received: September 29, 2010**

**Date Served: October 11, 2010**

**REQUEST NO. AG 1.13:**

**Ref: ComEd Ex. 1.0, Hemphill Direct Testimony, lines 403-421 (Proposed Regulatory Process).**

The testimony describes the "regulatory process" that is proposed in connection with ComEd's recommended alternative regulation plan and Rider ACEP. Please provide the following additional information:

- a. A timeline indicating the dates for each filing that would be made by ComEd in each of the next three years under the proposed mechanism.
- b. Specimen copies of each type of document that will be submitted by ComEd in connection with your response to part (a). If specimen copies are not available, provide the most detailed possible description of each planned ComEd submission.
- c. Describe the review interval that is believed to be sufficient for ICC Staff and other concerned parties to receive and protest, or comment upon, each of the filings made by ComEd, indicating the proposed response or protest dates in the timeline responsive to part (a).
- d. Explain the dispute resolution procedures that ComEd proposes in the event any element of its submitted filings are disputed by the Staff or another party.
- e. What approximate number of labor hours and non-labor expenses would ComEd reasonably expect the Company to incur to administer the proposed mechanism and the proposed filings, assuming no contest by Staff or intervenors of any submitted filings.
- f. What approximate number of labor hours and non-labor expenses would ComEd reasonably expect the Commission Staff to incur annually to carefully and thoroughly review all filings and administer the proposed mechanism, assuming no contest by Staff or intervenors of any submitted filings.
- g. With regard to the "review process on a 2-year cycle" that is recommended, does ComEd intend to propose modifications or expansions of the scope of the mechanism or Rider ACEP in connection with such reviews?
- h. With regard to the "review process on a 2-year cycle" that is recommended, does ComEd object to termination of the proposed pilot alternative regulation mechanism and Rider ACEP, unless the plan is affirmatively approved for continuation as a result of such reviews?

**RESPONSE:**

In responding to this request, ComEd understands the reference to "Rider ACEP" to mean "Rate ACEP". With that understanding, ComEd responds as follows.

- a. Please see ComEd's Response to Staff Data Request DLH 1.07.

- b. As shown in the timeline provided in ComEd's Response to Staff Data Request DLH 1.07, <sup>CUB-Ex 1.2</sup> under the provisions of proposed Rate ACEP – Accelerated Customer Enhancements Pilot (Rate ACEP), ComEd must submit the Accelerated Customer Enhancements Pilot Assessments (ACEPAs) to the Commission for informational purposes with associated work papers once every three months. The ACEPAs would be submitted via an informational sheet that would likely be very similar to ILL. C. C. No. 10, Informational Sheet No. 19, which shows applicable Advanced Metering Program (AMP) Adjustments. A copy of the currently effective Informational Sheet No. 19 is attached as AG 1.13\_Attach 1. The work paper showing the computation of the ACEPAs that would accompany such informational sheet would likely be similar to page 2, 3, 4, 5, or 6 of ComEd Ex. 1.4. Additional work papers that would accompany the informational filing of the ACEPAs would be similar to the work papers used to develop ComEd Ex. 1.3. Those work papers are shown in the attachment to ComEd's Response to Staff Data Request DLH 2.04 labeled as DLH 2.04\_Attach 1. When nonzero balancing amounts (BAs) are incorporated into the determination of the ACEPAs (for informational filings made in July, October, and January) a work paper would be included that shows the determination of the BAs. Such work paper would be developed in accordance with the provisions in ComEd Ex. 1.4 at Original Sheets Nos. X+14 and X+15.

Also as shown in the timeline provided in ComEd's Response to Staff Data Request DLH 1.07, under the provisions of proposed Rate ACEP, ComEd must submit a report to the Commission no later than April 6, 2013. Such report must be as described in ComEd Ex. 1.2 on Original Sheet No. X+19:

“Beginning in 2013, on or before April 6 in each odd-numbered year, in the event that ACEPA<sub>DCS</sub> had been applicable to retail customers during all or part of the immediately previous two calendar years, the Company must submit to the ICC a report that summarizes the operation of this tariff for costs incurred during such previous two calendar year period by the Company that are associated with programs, the costs for which recovery began in accordance with the provisions of this tariff. In such report, the Company must include the results of an audit that examines (a) costs recovered pursuant to this tariff to verify that such costs are recovered only pursuant to this tariff and to confirm that any such costs are not also being recovered inappropriately through charges imposed under other tariffs; (b) ACEPA<sub>DCS</sub> included in retail customers' bills for electric service to verify that such ACEPA<sub>DCS</sub> are properly applied; (c) revenues resulting from the application of this tariff to verify that such revenues are correctly stated; and (d) amounts recovered pursuant to this tariff to verify that such amounts are properly identified, recorded, and reflected in computations made pursuant to this tariff. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to the Manager of the Staff's Accounting Department and the Director of the Staff's Financial Analysis Division. Such report must be verified by an officer of the Company.

In the event that the Company seeks to extend or modify any program, the costs for which recovery began through the application of the provisions of this tariff, the Company must submit a petition to the ICC seeking such extension or modification in accordance with the provisions of Section 9-244 on the same date that it submits the report described in the previous paragraph. Moreover, in the event that the Company seeks to propose any new program, the costs for which recovery is proposed to begin through the application of the provisions of this tariff, the Company must include its proposal in such petition.”

Also as shown in the timeline provided in ComEd's Response to Staff Data Request <sup>CUB Ex 1.2</sup> DLH T.07, under the provisions of Rate AMP-CA – Advanced Metering Program Customer Applications Experiment (Rider AMP-CA), ComEd must submit a report to the Commission no later than September 30, 2011. Such report must provide a final evaluation of the twenty-four (24) AMP Customer Applications implemented in accordance with Rider AMP-CA. At this time there is no specimen copy for that report. Moreover, because the applications are currently underway, it is not known at this time with specificity what may be learned during the course of administration of the experiment, and therefore, what should be included in a report evaluating the experiment.

- c. The submission of ACEPAs to the Commission via informational filings is expected to follow the same procedures that other informational submissions follow, and provisions in proposed Rate ACEP correspond to provisions in currently effective tariffs that employ informational filings of assessments based upon computations performed in accordance with those tariffs. As noted in ComEd Ex. 1.2 on Original Sheet No. X+18,

“For ACEPA<sub>DCS</sub> that are applicable beginning with a February monthly billing period, the Company must file such ACEPA<sub>DCS</sub> with the ICC for informational purposes no later than the twentieth day of January prior to the start of such February monthly billing period. For ACEPA<sub>DCS</sub> that are applicable beginning with a May monthly billing period, the Company must file such ACEPA<sub>DCS</sub> with the ICC for informational purposes no later than the twentieth day of April prior to the start of such May monthly billing period. For ACEPA<sub>DCS</sub> that are applicable beginning with an August monthly billing period, the Company must file such ACEPA<sub>DCS</sub> with the ICC for informational purposes no later than the twentieth day of July prior to the start of such August monthly billing period. For ACEPA<sub>DCS</sub> that are applicable beginning with a November monthly billing period, the Company must file such ACEPA<sub>DCS</sub> with the ICC for informational purposes no later than the twentieth day of October prior to the start of such November monthly billing period.

Any informational filing of a ACEPA<sub>DC</sub> made after the twentieth day of a month but prior to the start of the monthly billing period during which such ACEPA<sub>DC</sub> is scheduled to become effective is acceptable only if such filing corrects an error or errors from a timely filed ACEPA<sub>DC</sub> for such monthly billing period. Any other such filing made after such twentieth day is acceptable only if such filing is made in accordance with the special permission request provisions of Section 9-201(a) of the Act.”

ComEd's filing of the report on or before April 6, 2013, that would summarize the operation of Rate ACEP would be subject to review and evaluation in accordance with the following provisions in ComEd Ex. 1.2 on Original Sheet No. X+19:

“Upon receipt of such report and any associated petition, the ICC must open a proceeding to review the operation of this tariff during such previous two calendar year period. In the event that the Company submits a petition to (a) extend or modify any program, the costs for which recovery began through the application of the provisions of this tariff, or (b) propose any new program, the costs for which recovery is proposed to begin through the application of the provisions of this tariff, such proceeding must additionally address such petition.

Such proceeding must be undertaken in accordance with the provisions of Section 9-244 of the Act.

During the course of such proceeding, as applicable data become available, the Company must submit to the ICC data and documentation concerning and supporting (a) the ACEPA<sub>DCS</sub> applied during the current year that provide for the recovery of costs incurred during the previous two calendar years, and (b) the ACEPS<sub>DCS</sub>, including each Investment Recovery Component, Expense Limiter Component, and Expense Cap Component that is included in any ACEPA<sub>DC</sub> that becomes applicable during the course of such proceeding.

The final Order for such proceeding must be entered no later than two hundred, seventy (270) days after such proceeding is opened.”

- d. Please see ComEd’s response to subpart (c) of this request.
- e. ComEd has not performed a specific analysis to determine the number of labor hours and non-labor expenses it would incur to administer the filings that would be required under Rate ACEP. ComEd anticipates that the effort would be similar to and would involve the same employees that have been administering the filings submitted in association with Rider AMP – Advanced Metering Program (Rider AMP) and Rider AMP-CA.
- f. ComEd has not performed a specific analysis to determine labor hours and non-labor expenses that ComEd would reasonably expect the Commission Staff to incur annually to carefully and thoroughly review all filings and administer the proposed mechanism ComEd anticipates that the effort would be similar to the effort that has been employed by the Commission Staff to carefully and thoroughly review the filings submitted in association with Rider AMP and Rider AMP-CA.
- g. ComEd’s proposed Rate ACEP was written in a manner that ComEd is hopeful will be able to accommodate new, revised, or modified programs that may be included under alternative regulation after future biennial review proceedings are concluded without having to revise the actual provisions contained in the tariff itself.
- h. Yes. Proposed Rate ACEP is written in manner that allows for recovery of costs associated with approved programs until the plant associated with the programs is included in rate base in a future rate case. Therefore, even if no new, revised, or modified alternative regulation program is affirmatively approved in a biennial review proceeding, ComEd would continue to recover costs associated with the existing approved programs until at least the conclusion of the first rate case that commences after December 31, 2013. As noted in ComEd Ex. 1.2 on Original Sheet No. X+20,

“In any general rate proceeding commencing after December 31, 2013, the Company must request inclusion in its rate base of plant and any remaining regulatory asset associated with the EVA<sub>DCS</sub>, UFA<sub>DCS</sub>, SMA<sub>DCS</sub>, DAA<sub>DCS</sub>, or APA<sub>DCS</sub>, as applicable. Such request must be made in accordance with all rules and procedures for inclusion of capital investments into rate base. Additionally, the Company may request that any unrecovered expense amounts associated with the UFA<sub>DCS</sub>, SMA<sub>DCS</sub>, DAA<sub>DCS</sub>, or APA<sub>DCS</sub>, as applicable, subject to the limitations set forth in this tariff, be included in the Company’s revenue requirement for such general rate case and amortized over a period approved by the ICC.”