

Commonwealth Edison Company

Risk Premium Analysis

(Based on Projected Interest Rates)

	MOODY'S AVERAGE PUBLIC UTILITY BOND YIELD (1)	AUTHORIZED ELECTRIC RETURNS (2)	INDICATED RISK PREMIUM
1980	13.15%	14.23%	1.08%
1981	15.62%	15.22%	-0.40%
1982	15.33%	15.78%	0.45%
1983	13.31%	15.36%	2.05%
1984	14.03%	15.32%	1.29%
1985	12.29%	15.20%	2.91%
1986	9.46%	13.93%	4.47%
1987	9.98%	12.99%	3.01%
1988	10.45%	12.79%	2.34%
1989	9.66%	12.97%	3.31%
1990	9.76%	12.70%	2.94%
1991	9.21%	12.55%	3.34%
1992	8.57%	12.09%	3.52%
1993	7.56%	11.41%	3.85%
1994	8.30%	11.34%	3.04%
1995	7.91%	11.55%	3.64%
1996	7.74%	11.39%	3.65%
1997	7.63%	11.40%	3.77%
1998	7.00%	11.66%	4.66%
1999	7.55%	10.77%	3.22%
2000	8.14%	11.43%	3.29%
2001	7.72%	11.09%	3.37%
2002	7.53%	11.16%	3.63%
2003	6.61%	10.97%	4.36%
2004	6.20%	10.75%	4.55%
2005	5.67%	10.54%	4.87%
2006	6.08%	10.36%	4.28%
2007	6.11%	10.36%	4.25%
2008	6.65%	10.46%	3.81%
2009	6.28%	10.48%	4.20%
3Q 2010	5.59%	10.36%	4.77%
AVERAGE	8.94%	12.21%	3.27%

INDICATED COST OF EQUITY

PROJECTED TRIPLE-B UTILITY BOND YIELD*	5.25%
MOODY'S AVG ANNUAL YIELD DURING STUDY	8.94%
INTEREST RATE DIFFERENCE	<u>-3.69%</u>
INTEREST RATE CHANGE COEFFICIENT	<u>-41.30%</u>
ADJUSTMENT TO AVG RISK PREMIUM	1.52%
BASIC RISK PREMIUM	3.27%
INTEREST RATE ADJUSTMENT	<u>1.52%</u>
EQUITY RISK PREMIUM	<u>4.80%</u>
PROJECTED TRIPLE-B UTILITY BOND YIELD*	<u>5.25%</u>
INDICATED EQUITY RETURN	<u><u>10.05%</u></u>

(1) Moody's Investors Service

(2) Regulatory Focus, Regulatory Research Associates, Inc.

*Projected triple-B bond yield is 175 basis points over projected long-term Treasury bond rate of 3.5% from ComEd Ex. 37.1, p. 2. The triple-B spread is for 3 months ended October 2010 from ComEd Ex. 37.1, p. 1.

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INDICATED COST OF EQUITY

CURRENT TRIPLE-B UTILITY BOND YIELD*	5.57%
MOODY'S AVG ANNUAL YIELD DURING STUDY	8.94%
INTEREST RATE DIFFERENCE	<u>-3.37%</u>

INTEREST RATE CHANGE COEFFICIENT	-41.30%
ADJUSTMENT TO AVG RISK PREMIUM	<u>1.39%</u>

BASIC RISK PREMIUM	3.27%
INTEREST RATE ADJUSTMENT	1.39%
EQUITY RISK PREMIUM	<u>4.67%</u>

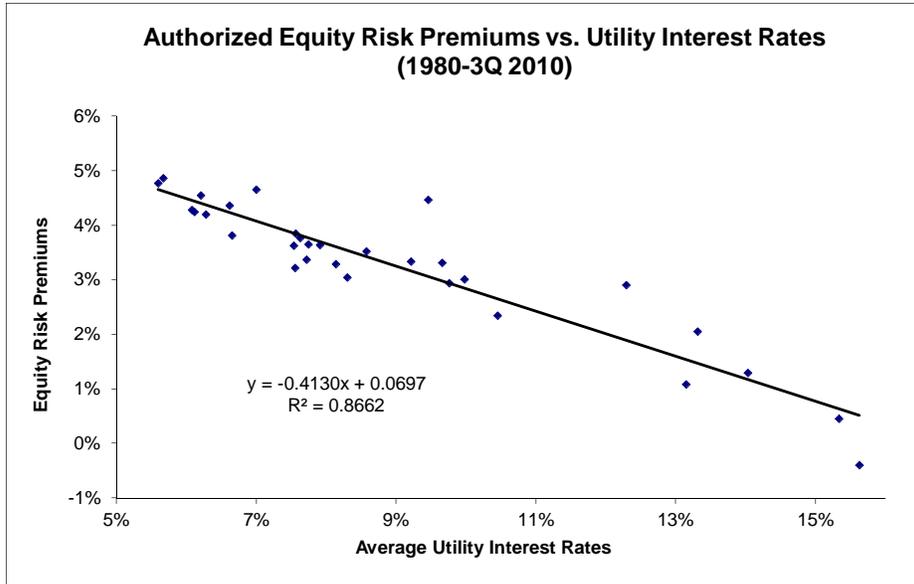
CURRENT TRIPLE-B UTILITY BOND YIELD*	5.57%
INDICATED EQUITY RETURN	<u><u>10.24%</u></u>

(1) Moody's Investors Service

(2) Regulatory Focus, Regulatory Research Associates, Inc.

*Current triple-B utility bond yield is three month average of Moody's Triple-B Public Utility Bond Yield Average through October 2010 from ComEd Ex. 37.1, p. 1.

Commonwealth Edison Company
Risk Premium Analysis
Regression Analysis & Interest Rate Change Coefficient



SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.930715918
R Square	0.866232121
Adjusted R Square	0.861619435
Standard Error	0.004709045
Observations	31

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	0.004164339	0.004164339	187.7934496	3.37399E-14
Residual	29	0.000643078	2.21751E-05		
Total	30	0.004807417			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	0.069664074	0.002823484	24.67308594	5.1721E-21	0.0638894	0.075438748	0.0638894	0.075438748
X Variable 1	-0.413001655	0.030137802	-13.70377501	3.37399E-14	-0.47464038	-0.35136293	-0.47464038	-0.35136293